

96-2-11

ILLICIT METHAMPHETAMINE LABORATORIES IN THE
PENNSYLVANIA/NEW JERSEY/DELAWARE AREA

HEARING
BEFORE THE
SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL
HOUSE OF REPRESENTATIVES
NINETY-SIXTH CONGRESS
SECOND SESSION

JULY 7, 1980

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Select Committee on Narcotics Abuse and Control

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**ILLICIT METHAMPHETAMINE LABORATORIES
IN THE PENNSYLVANIA/NEW JERSEY/DELA-
WARE AREA**

MONDAY, JULY 7, 1980

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, D.C.

The Select Committee met, pursuant to notice, at 9:15 a.m., in the Ceremonial Courtroom, first floor, U.S. Federal Courts, 601 Market Street, Philadelphia, Pa., Hon. Lawrence Coughlin (acting chairman of the Select Committee) presiding.

Present: Congressman Lawrence Coughlin, Billy L. Evans, and Robert S. Walker.

Staff present: Patrick L. Carpentier, chief counsel; Roscoe Starek III, minority counsel; John W. Peplow, chief of security/investigator; Robert Pfeifle, press officer; Judith M. Freelin, congressional assistant; Kathy O'Brien, intern; and Kevin Cavanagh, intern.

Mr. EVANS. Good morning, ladies and gentlemen. Our chairman, Representative Lester L. Wolff, who was to be here today to open this most important hearing, expresses his personal regrets that he will not be able to attend. President Carter requested that Mr. Wolff, who is chairman of the Southeast Asian Affairs Subcommittee of the Foreign Affairs Committee, accompany him to Japan to attend the memorial services for the deceased Prime Minister of Japan, Mr. Ohira.

I am pleased to join with my distinguished colleague, Mr. Larry Coughlin, in this effort to take a serious look at a problem which has been very troublesome to parents, teachers, and law enforcement officials all across the Nation. I want to commend you, Larry, as the leader of this task force for initiating this hearing in Philadelphia. I think you have assembled an outstanding group of witnesses who will make a valuable contribution to the national effort to curb the tide of drug abuse in America.

Only recently, with some help from our committee and the White House, a number of parents' groups dedicated to the prevention of drug abuse have been formed around the country. These groups are primarily concerned with halting the use of drugs among our young people, especially the overwhelming amount of marihuana abuse. They have helped make our young people become more aware of the dangers connected with the regular use of marihuana and could be mobilized to help limit the use of methamphetamine. A popular phrase used by those in the drug culture is, "Speed kills." We know it, serious drug users know it, but our young people who can buy "speed" at any school are

unaware of the serious health hazards attributed to the use of "speed."

"Good Morning, America" had a program on this morning talking about the cutback in some of the treatment facilities for our drug abuse centers; and one of the statements made by the young lady who was hooked on heroin and who was being treated was that, sure, she knew some of the risks, but she never believed it would happen to her. She never believed that she would become hooked. I think that is one of the problems with our young people, that they say it cannot happen to me. I think all of us have to join in an effort to let them know that, yes, it can happen to them.

I hope the witnesses will share with us their ideas for legislation which could help reduce the attractiveness and profit connected with operating an illicit lab. I have been a supporter and currently sponsor legislation which would require mandatory minimum sentences for marihuana traffickers. Stiffer sentences and higher bail for drug pushers may make this business more risky and a little less profitable.

I also think that limiting the availability of precursors—chemicals which are used in the manufacture of illicit drugs—has helped to reduce the number of illicit laboratories. In November of 1978, Congress passed legislation requiring that all sales of the precursor piperidine—one of the main ingredients used to make PCP or "angel dust"—be reported to the DEA. DEA has found fewer PCP labs as a result of a high degree of compliance, including voluntary reporting of unusual sales. This voluntary action by chemical producers has been a tremendous help to the DEA in locating and shutting down illicit labs.

I consider it a privilege at this time to pass the gavel to my distinguished colleague, Larry Coughlin, who will preside at this hearing.

Thank you.

Mr. COUGHLIN. Thank you, Billy. I would like to join in welcoming you to Philadelphia. You have provided a very distinguished service to the Select Committee on Narcotics Abuse and Control over a considerable period of time; and together with other members of our committee, you share the serious concern and sense of frustration over the pervasiveness of drug use and abuse in our society.

The Select Committee on Narcotics Abuse and Control is becoming increasingly disturbed by the rapidly escalating problem of the abuse of dangerous drugs by the American public. The President's Strategy Council on drug abuse reports that over 7 million Americans use prescription drugs for nonmedical or recreational purposes. The craving for drugs such as barbiturates, or "downers," and amphetamines, or "uppers," is so ravenous that even the enormous amounts which are legally manufactured and then diverted for illicit purposes cannot satisfy the demand of Americans for these drugs.

As a result, clandestine laboratories have been set up by drug dealers, smalltime hoodlums, and even school teachers and truck drivers. The laboratories are often in private homes or business establishments, cost very little to start, but pose very severe dangers to the operators and to those in the immediate vicinity. Later

this morning, we will have a demonstration which will explain how these laboratories are set up and discuss the serious danger of explosion and fire.

Over the past several months, the Select Committee has received numerous, very disturbing reports concerning the rapid proliferation of illicit drug manufacturing laboratories across the Nation. The Drug Enforcement Administration reports that there has been a startling 700-percent increase nationwide of illicit laboratory activity from 1975 to 1979. Methamphetamine, or "speed" as it is called on the street, currently tops the list of illicit substances produced in these clandestine drug-manufacturing laboratories.

I think we are talking in terms that need some definition. It is important to understand that methamphetamines are a derivative of amphetamines. The differences between the two can only be detected by laboratory analysis. Amphetamines were developed and first prescribed in the 1930's to treat narcolepsy. During the 1970's, the Department of Justice rescheduled amphetamines into schedule II of the Controlled Substances Act, which limits not only the medical use but the manufacture of this drug. In fact today, amphetamines are limited to treating narcolepsy, appetite control in cases of obesity, and hyperkinetic behavioral disorders in children. The limited availability of amphetamines has surely increased the demand for illicitly produced "speed."

Unfortunately, Philadelphia is one of the centers for the illicit production of methamphetamines. In fact, the problem is so severe that over 50 percent of the manpower hours of the Drug Enforcement Administration in Philadelphia over the last year was devoted to dangerous-drug investigations, which include methamphetamine manufacture and distribution.

As chairman of the Select Committee's task force on the Department of Justice, I urged the committee to come to Philadelphia to take a firsthand look at this phenomenon. Today we will hear from those most knowledgeable on the dangers of the labs and the problems faced by the police, the prosecutors, and the courts in the ongoing fight to curtail their proliferation. I hope our witnesses will share with us their thoughts and recommendations on legislative initiatives and proposals which we could take back to Washington.

The committee is anxious to learn why methamphetamine production and use are so prevalent in the Philadelphia area. We suspect that organized crime is active in the production and distribution of illicit substances not only in Philadelphia, but throughout the United States. Moreover, outlaw motorcycle gangs, which are so prominent in the Philadelphia area, are known to be users and distributors of all forms of illicit drugs and appear to be particularly involved in methamphetamine distribution.

At this point, I would like to introduce our first witness, Congressman Bob Walker, who represents Chester, Lancaster, and Lebanon Counties. Bob has been particularly concerned with the involvement of outlaw motorcycle gangs in the distribution of "speed" in the tri-State area.

Before Bob proceeds, though, I would like to thank all the people in Philadelphia, particularly the DEA, for the help and cooperation they have given to the committee and its staff.

I would like to introduce those on the panel with us. First is Patrick Carpentier, the chief counsel of the committee.

To the right of Mr. Evans is Roscoe Starek, the minority counsel.

To my far right is Ms. Mazie Pope, from the White House Office of Drug Abuse, and Jack Peplow, the investigator for the committee.

I might say that these courtrooms tend to be warm with the controls that we have on air conditioning here. If any of those here want to remove their jackets, that is perfectly acceptable to the committee.

It has been the policy of the committee to swear witnesses; and if my colleague does not object to that and would raise his right hand.

[Witness sworn.]

Mr. COUGHLIN. Welcome to the committee. I hope after your testimony you can join the committee here and examine the other witnesses with us. We appreciate very much your being here.

**TESTIMONY OF HON. ROBERT S. WALKER, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF PENNSYLVANIA**

Mr. WALKER. Thank you, Mr. Chairman. I look forward to that.

Mr. Chairman, members of the House Select Committee on Narcotics: Thank you for inviting me to participate in these hearings examining the problem of drug abuse and particularly the illegal traffic in methamphetamines. I do not pretend to be an expert in all aspects of this problem, but I do appreciate the opportunity to testify with regard to knowledge I have developed about the operations of outlaw motorcycle gangs across the country. These gangs are an important factor in the problem that you are examining.

To point out how important a factor they are in methamphetamine traffic, let me first of all give you a statistic which seems almost unbelievable, but which I am led to believe can be confirmed through intelligence data gathered by the U.S. Department of Justice. That statistic is this: That although outlaw motorcycle gangs deal in all kinds of illicit drugs, they have been particularly involved in methamphetamine products. In certain areas of the country, outlaw motorcycle gangs are believed to control the entire methamphetamine market. Nationwide, they would appear to control up to 50 percent of all illicit methamphetamine distribution. Those kinds of figures tell me that the problem is very serious and I am sure tells you the seriousness of the situation that you are examining.

I would like to present to the committee a recent report I received from the Department of Justice which confirms the statistics I have just given you.

I must caution that not everyone agrees that we face a serious and growing outlaw motorcycle gang problem. I know from personal experience, and I am confident that this committee will discover that publications and organizations within the legitimate motorcycle community are rapid to spring to the defense of these outlaw gangs and very slow to recognize the threat, to stand up against that threat. This is not to say that your neighbor and mine who rides a motorcycle is a part of the problem because he goes out and rides for fun or because the motorcycle is an economical means of

**READER
FICHE**

transportation. Nor is he a part of the problem because he gets together with a couple of friends and takes a weekend ride. Nor is he a part of the problem if that group of friends organizes a motorcycle club for friendly pursuit of their enjoyment of motorcycling together. Nor is he a part of the problem even if that group takes on antisocial trappings and engages in some local rowdyism, although at that point, local law enforcement officials may have cause to become concerned. No one wishes to associate any action against outlaw motorcycle gangs with the activities of fun-loving motorcyclists who simply enjoy the sport. As a motorcyclist, I can assure you that my desire is to see a very healthful sport advanced—not undermined.

However, too many within the motorcycling community see any effort to deal with the outlaws as a direct threat on them, and therefore, rather than becoming a part of solving the problem, they have tended to become defensive about the problem. That should not deter us from action because the outlaw motorcycle gangs that we wish to bring to justice have developed into a sophisticated criminal organization. They are, by every measurement standard available, organized crime groups, and fit every definition which has been advanced for such groups. Their activities represent a conspiracy and they use acts of violence or other acts to intimidate their enemies. They conduct their activities in a highly disciplined and secret way, and foster an intricate organizational structure. While their present sophistication must be regarded as crude, there is no doubt they have attempted to gain influence in Government, politics, and commerce through corruption, graft, and the use of legitimate fronts. Their primary goal is economic gain, and they will use patently illicit means to attain such economic gain by dealing in drugs, gambling, loansharking, and the laundering of illegal money. Mr. Chairman, at this point, I would like to submit an article from the Philadelphia Bulletin of March 22, 1976, which details the highly organized nature of the group.

You, of course, are most interested in their drug operations, and that is where I will center my comments before you today. Outlaw motorcycle gangs have on their own and in some cases in collaboration with traditional organized crime families gained control of a portion of the illegal drug market in this country. In my own district, the Pagans, which is one of the Nation's largest outlaw gangs, have been engaged in illegal drug manufacturing and trafficking operations. Mine, as you know, is a relatively rural district with many boroughs and townships relying solely on State police patrols, and it, therefore, is an area where Pagan movement of the drugs went nearly unnoticed for some time. Yet the area's close proximity to major urban drug marketplaces was ideal for a rapidly growing narcotics business.

A mobile multimillion dollar drug lab was developed by the Pagans to produce methamphetamines, commonly called speed or crank. One former gang member with whom I have personally conferred has told me that the operation moved between hidden sites in Chester and Lancaster Counties in Pennsylvania, the Pocono mountain area, and the State of Delaware where it produced approximately 10 pounds of crank each week with a street value, at that time, of approximately \$150,000. To further docu-

ment this operation. I would like to submit for the record the newspaper article which appeared in the Coatesville Record of Coatesville, Pa. on November 14, 1978. The article which I am submitting at this point was written by Allen Davis of that newspaper staff, who actually infiltrated the gang to develop this and other stories.

So that there can be no confusion that we are dealing with merely a local situation, it should be pointed out that earlier this year, the Confederate Angel motorcycle gang based in Richmond, Va., was tied to a speed manufacturing network. An article about this situation which appeared in the Richmond News Dispatch of Richmond, Va. on January 28, 1980, states at one point, "According to Federal sources, motorcycle gangs allegedly control much of the production of methamphetamines throughout the country." I would like to submit this article for the record. Further, it should be pointed out that 11 of the 14 people who this article indicates were indicted eventually pled guilty to the Federal charges. Federal officials who had pursued this case alleged that the gang used five businesses as fronts to purchase drugs and to store manufacturing equipment. Between 50 and 60 pounds of pure methamphetamines was produced at one of their labs which would sell for \$5 million on the streets.

In yet another well-known case, 18 members of the Hell's Angels, a gang said to be the premier outlaw club, were recently tried in California under the Corrupt Racketeering Statute, and they faced similar charges of methamphetamine production, as well as production of an assortment of other drugs. A mistrial was declared when the jury could come to no verdict in some of the aspects of that case, but a new trial will reportedly start soon.

These recent cases are conclusive proof that the threat is not a declining one, but a growing one. In recent months, the media has regularly reported on what has become a swelling stream of crimes committed by outlaw motorcycle gangs. Many law enforcement officials feel that the gangs which started as fun-loving and hell-raising clubs of the immediate post-World War II period have developed into crime organizations in the same state of evolution as traditional organized crime activities in the late 1920's and early 1930's.

In fact, Mr. Chairman, it would appear that the outlaw gang members are often used as soldiers within the traditional organized crime network today. Their tight-knit organization and their willingness to use intimidation makes them invaluable assets to organized crime operations, particularly operations which involve physical violence. Intelligence informants have indicated that outlaw bikers have been employed by organized crime to drive hijacked trucks from New York City to Long Island. They have been used as "enforcers" or "trenchmen" by organized crime to carry out missions which are particularly dangerous or dirty. Evidence of such cooperation is strengthened by the fact that lists of names and addresses of well-known gangsters have often been found in the possession of outlaw bikers when they have been arrested. At this point, Mr. Chairman, I would like to document this section of my statement with an article dated March 19, 1977 from the Philadelphia Bulletin.

The outlaw motorcycle gang problem can only be dealt with with a coordinated attack. It is beyond the capability of local law enforcement officials to deal with it. State law enforcement officials are frustrated by its interstate characteristics, and only a Federal overview and a Federal commitment to handle the problem is likely to have much effect. A U.S. attorney who is currently working on the Hell's Angels case in California contacted me recently to express her support for legislation that I have introduced to confront the outlaw gang situation. She said and I quote:

My experience in this case has led me to have great concern as to the enormous impact the outlaw motorcycle gangs have in a wide range of criminal ventures, and the general lack of interest and/or resources to effectively investigate and prosecute these organizations.

I have a full copy of that letter which goes into some detail about the gangs. I will submit it for the record at this point. It is not a case, Mr. Chairman, of needing new tools. Rather, it is the need for commitment and coordination which is lacking in our current efforts to deal with the outlaw bikers.

I congratulate you, Mr. Chairman, for focusing on the problem in these hearings. I congratulate the members of your committee, particularly my colleague from Pennsylvania, Larry Coughlin, for courage in facing up to this crucial but controversial subject, and I look forward to the day when our mutual efforts will have helped rid the sport of motorcycling from its organized criminal element.

Mr. COUGHLIN. Without objection, the material you submitted will be made a part of the record.

[The information referred to follows.]

(H. Con. Res. 220)

CONCURRENT RESOLUTION Expressing the sense of the Congress that the President should establish a Federal strike force and a program in each United States judicial district to investigate and prosecute crimes committed by members of motorcycle gangs:

Whereas motorcycle gangs have become a major criminal element in our society; Whereas motorcycle gangs are united in an organized international criminal association with a single network of leaders;

Whereas motorcycle gangs, as organized criminal groups, have employed terrorism, extortion, threats, and murder as methods of attaining illegal gains;

Whereas motorcycle gangs, as organized criminal groups, are involved in the kidnaping, enslavement, and physical abuse of women;

Whereas motorcycle gangs, as organized criminal groups, are receiving enormous profits from drug-production, drug-trafficking, gun-running, theft, and murder by contract;

Whereas motorcycle gangs have systematically abused public welfare programs for personal gain;

Whereas motorcycle gangs have used their illegally gained profits to take control of legitimate business enterprises and to drive lawful business owners out of business;

Whereas motorcycle gang members, through their size, power, and ability to cross State boundaries, pose formidable and overwhelming problems for local and State law enforcement officials;

Whereas an immediate effort must be made on the Federal level to recognize motorcycle gangs as an organized criminal threat throughout the United States; and

Whereas the President and the Attorney General have the authority to coordinate the national fight against organized crime: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring): That the President—

(1) should establish a Federal strike force to investigate Federal crimes committed by members of motorcycle gangs, to prosecute members of motorcycle gangs who commit such crimes, and to assist State and local law enforcement agencies in the investigation and prosecution of members of motorcycle gangs; and

(2) should implement a program in each judicial district of the United States to investigate Federal crimes committed by members of motorcycle gangs and to prosecute members committing such crimes.

Pagans: Social Misfits or Drug Criminals?

5-22-76

From Rowdy Cyclists to a Highly Disciplined Organization

Five years ago when he turned over the management of a cold to and found himself fighting a very big battle to ensure the work of others in business that should have been

There was made no record of the fact, however, that the amount of the loan was paid to the M&A.

University of Michigan

of the president of the National Association of the Master Craftsmen.

from 7.0 to 8.0 g/l

Agans: Secret lab produces 'crank'

BY ALLEN DAVIS
 (THE HITCHHIKER) MCN 45, 578

Alleged Excesses

1000

systemic diseases and have never been indicated in the anti-drug jury or drug-related charges. Nor, has any indicated anti-drug jury by a federal grand jury in the Atlanta area charged with a deadly serious offense of the drug methamphetamine to a federal grand jury.

According to Pagan sources, Keller also allegedly supplied much of the drugs that resulted in a major drug raid on his brother in Littleton.

Saxton was arrested by state police on Nov. 17, 1975 on drug-related charges, but never stood trial. The charges were dismissed on April 2, 1976, by a Chester County Court. (See Page Five)

Efforts to trace the exact location of the clandestine lab through Keller failed, however, by a gutsy DEA agent, working with Cuban sources, attempted to remove Keller from the drug business with an arrest and force him out, who knew the location of the lab, to deal directly with the DEA now.

But the rain faded when John Rabbit II was killed in a blaze of a dog fight at a festival at Study Gap, Pa. According to local sources, Miller and Hess allegedly attempted to sell several thousands of dollars worth of crane sexually to attendees attending the festival.

Major awards have been awarded to several of the artists and groups at the Festival, and DEAF has continued to attract more and more touring acts, giving

But, Howie clearly caused a stir in the place and Keller
 never made a sound about it with or undercover DEA agent
 Alvin, now trying to make his way

Further evidence must, though, that prices of the services sold are attributable to one or the other network, rather than to both in the aggregate.

Multimillion-Dollar 'Speed' Trade Alleged

light.

The 450,000 were also at a time when Japan, Germany and Italy were in the throes of World War II.

The war was 4,000 and 5,000 miles away from the United States.

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Crime Panel Report

Armed Cycle Gangs 'Used' By Mob

By ROBERT M. KUTZNER

of The Editors Staff

Two East Coast motorcycle gangs involved in their own drug wars, heavily armed and active in New York and New Jersey, are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

The heavily armed motorcycle gangs, known as the "Bandidos" and the "Hells Angels," are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

They are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

They are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

According to the FBI, the Bandidos is a motorcycle gang based in New York City. It is one of the most powerful motorcycle gangs in the East. The Hells Angels is a motorcycle gang based in New Jersey. It is one of the most powerful motorcycle gangs in the East.

The Bandidos and the Hells Angels are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

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They are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

that more than a few, strongly law-abiding who refuse to be taken in by the Mafia.

The Mafia, however, is not a monolithic organization. It is a collection of many different groups, each with its own interests and goals.

They are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.

They are being used by the Mafia to expand their power in the East, according to the Federal Bureau of Investigation.



U.S. Department of Justice

Patent Rights Division
Northern District of California

San Francisco, California 94102
Telephone: 415-774-1000
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March 14, 1980

Mr. Robert E. Walker
United States Congressman
1000 Longworth
House Office Building
Washington, D. C. 20540

Re: Congressional Resolution 20,
Outlaw Motorcycle Gangs

Dear Sir:

In the recently passed Congressional Resolution 20, the outlaw motorcycle gangs. For the past several years, I have been involved as a Special Assistant United States Attorney in the investigation and the prosecution of various members of the Hells Angels Motorcycle Club in the San Francisco Bay Area. I have enclosed a copy of the indictment which is currently in litigation in the Northern District of California as a result of this investigation.

My experience in this case has led me to have great concern as to the enormous impact that outlaw motorcycle gangs have in a wide range of criminal ventures. And the general lack of interest among agencies to effectively investigate and prosecute these organized groups.

For example, it is generally agreed that law enforcement in the San Francisco area did not consider the Hells Angels Motorcycle Club a significant problem until Inspector William Lewis, Oakland County Sheriff of Narcotics Enforcement, became the victim of a retaliatory shooting by the Hells Angels on January 11, 1978. And Lewis was not even the first police officer who suffered such treatment in this area from this outlaw gang. Subsequent investigation has uncovered substantial evidence that the Hells Angels in this area are and have for years been involved in such criminal activities as: murder; attempted murder; assault; drug manufacturing, importing, selling, etc.; (evidence in our trial has shown their involvement in many different types of organized enterprises); kidnapping; arson; extortion; robbery; sexual harassment; prostitution; loan-sharking; stolen vehicles and property; obstruction of justice; harboring fugitives; various firearms and explosive violations; assault with a deadly weapon; and rape. Our indictment has covered only the drug violations and those other criminal activities that we could show were directly related to the drug trafficking. In our indictment the other crimes would have the effect of the single-minded.

state conspiracy doctrine). I have included a copy of a questionaire seized in one Hells Angel's residence in June of 1978, which illustrates the close association between the club and crime.

Under disinterest, law enforcement agencies have tended to ignore outlaw motorcycle gangs because of the lack of financial, personnel, and legal resources to overcome the reluctance of witnesses to come forward and testify against members or associates of such organizations. The cost of our current investigation and prosecution when it is finally completed will be staggering, far more than local district attorney's offices can afford. The fact that virtually every such gang has chapters in more than one state (and the Hells Angels have chapters in various foreign countries) and share their criminal ventures with their fellow chapters compounds the difficult local law enforcement faces. State laws are frequently the elements to lead to successful prosecution. For example, evidence from numerous searches and seizures utilized in our federal case had been previously suppressed under state law in state courts. Another typical example involves the defendant Frederick McKnight who is still a fugitive from our indictment. McKnight has had rape charges filed against him 3 times, and although guilty, has avoided punishment each time. (Sure, the charges were dismissed after the victim left the state, then refused to return to testify, whereupon the District Attorney did not feel it was worth it to pursue the matter further. In another occasion, McKnight paid off the judge according to one witness and thereafter was allowed to plead to misdemeanor charges. The last rape which took place on April 2, 1979, involved McKnight and five other members and associates of the Hells Angels Motorcycle Club; the District Attorney refused to prosecute since it would have meant 6 defendants against one victim.)

The Hells Angels consider themselves important enough in the criminal world to merit recognition in the Guinness Book of World Records as the "most notorious member one outlaw motorcycle club of the world" which "has maintained its title as number one by means of war to those who oppose (sic)". The sophistication and resources of the Hells Angels rank them as a threat to society equal to that of "traditional organized crime." For example, we received reliable information that, following our indictment, the Hells Angels held a meeting for all United States chapters in Cleveland, Ohio, wherein an attorney from Washington, D. C. conducted a lengthy program on how the Hells Angels could avoid future prosecutions under the RICO statute. One witness, who later backed out of testifying, related that in 1978 the California chapters formed "execution" squads, with two members from each chapter designated to participate in waging a war against the Outlaw Motorcycle Club. In the San Francisco Bay Area alone, the Hells Angels are allegedly involved in at least 20 "legitimate" business ventures to launder money, cover illegal income and activities, provide phony jobs for comrades on parole or probation, etc.

Resolution FPO's establishment of outlaw motorcycle gangs as national law enforcement targets and its allocation of resources to combat this serious problem would go a long way toward changing law enforcement's traditional "defensive" attitude and tactics, giving us the means to devise a meaningful "offense". (It is not yet too late to begin looking at these outlaw motorcycle gangs for what they are - mature, dangerous, and well-organized criminals, not "fun-loving" motorcycle riders.)

Very truly yours,

Philip A. Rosen
Philip A. Rosen
Special Assistant United States
Attorney, Northern District of
California
Assistant United States Attorney,
Phoenix, Arizona

Enclosures

Mr. COUGHLIN. Let me congratulate you for the leadership you have shown in this area. It is one on which there has not been a great deal of focus. In a very real way, you have been the leader in trying to focus on this problem and trying to focus on what can be done about it.

I will ask my colleague if he has any questions at this point.

Mr. EVANS. Mr. Walker, you indicated and suggested very strongly that the motorcycle gangs are actually engaged in the manufacture of the methamphetamines?

Mr. WALKER. That is correct.

Mr. EVANS. Other than the experience of the one reporter, do you have any other evidence which would indicate that that is the case?

Mr. WALKER. The only thing I have, that would document that, is the material that I submitted for the record from the intelligence report of the Justice Department, which indicates that they are in total control of methamphetamine markets in certain areas of the country. I think Milwaukee and Omaha are mentioned in that particular report. From what I gather on that, that is the production and distribution, all the way. The 50-percent figure I cited nationwide is a distribution figure. There is no doubt that they also are involved in the production. It is also thought the Pagans control far more than simply the material that I was able to document here. It is thought that they have a number of production facilities in the Northeast.

Mr. EVANS. Is it your experience that they are engaged in other types of illegal activities other than the manufacture and distribution of methamphetamines?

Mr. WALKER. There is no doubt about that. As I say, they have also been involved with organized crime and served as primarily the enforcers, the soldiers in a lot of organized crime networks as well. They are also involved in the distribution of other kinds of illegal drugs. We found instances where they have been the primary truck drivers, the runners of various kinds in a lot of illegal drug traffic.

In our area in Pennsylvania, for instance, it is thought some elements of the Pagans and maybe some other outlaw motorcycle gangs are involved in transporting marihuana and heroin into the area.

Mr. EVANS. Do you have any idea how many people approximately are involved in, say, the Pagans?

Mr. WALKER. Well, it is hard to pin down numbers, because they are a fairly secret operation in terms of the numbers of their group. One figure I have heard law enforcement officials use is that involved in active outlaw motorcycle gangs across the country, they think there is something in the vicinity of 15,000 to 20,000 people.

Mr. EVANS. Do you think the group around Philadelphia has a nationwide network? Or is this just local?

Mr. WALKER. The Pagans is one of the biggest of the outlaw motorcycle gangs. There are four gangs considered to be major problems. The Hell's Angels, by far the largest one, that has a massive interstate network; the Banditos, which operate primarily out of Texas; the Outlaws, which are southern in their orientation,

primarily centered in Florida; and the Pagans, which have been in the Northeast. Some people call them the No. 2 gang. Others say they are as low as fourth. They are very much of an interstate operation running all the way from New England even down into some of the southern States.

Mr. EVANS. Do you have any reason to suspect that they actually are enforcers or is that because they cause violence and possibly eliminate people who get in their way?

Mr. WALKER. Again, based upon the law enforcement officials who have talked to me about it, there seems to be no doubt they are being used by organized crime, particularly in the very violent crimes. The reason for that is, of course, many organized criminals have tried to put on a suit and become legitimate businessmen. They do not want to be involved in the dirty aspects. The very nature of the outlaw motorcycle gang as an organized criminal element, because of their tightly knit organization, makes them very, very good to be used by organized crime, because they are not going to be somebody who is going to talk a lot about what they are doing and the people they associate with are not going to be talking about what they are doing.

Mr. EVANS. Do you think methamphetamines is the biggest drug problem in this area?

Mr. WALKER. I do not know if it is the biggest drug problem in the area. I spent a good deal of time looking at it because I have been looking at the aspect of the motorcycle gangs. Certainly there is a serious problem in that area; but I certainly think that the marihuana and heroin usage would probably rank at least with speed in terms of the amount of usage in this area.

Mr. EVANS. Do you think there is a serious heroin problem here in Philadelphia?

Mr. WALKER. I have trouble reacting to the Philadelphia area. I come from a little west of here. I can speak primarily for my own district in that regard. From what we can understand in my own district, the use of heroin has dropped somewhat in the last couple of years; but that may be because there have been some fairly stiff enforcement efforts put on, particularly in Lancaster County, that I represent, to try to stop the trafficking in heroin in that particular area.

Mr. EVANS. Well, nationwide there seems to be an indication or a suspicion that we are about to be inundated with heroin from the Afghanistan-Pakistan area. Have you seen any evidence in your area there has been an increase as a result of the increased production in this area?

Mr. WALKER. I have not personally; no.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Thank you.

You mentioned legislation that you were proposing to try and get at this problem. Can you describe the nature of the legislation that you are proposing?

Mr. WALKER. Yes. The bill I have is H. Con. Res. 220. Basically all it does, it is a sense-of-the-Congress resolution saying the Department of Justice should organize a concerted effort against outlaw motorcycle gangs. It is an attempt to use the laws which are already on the books in a way that would be a focused effort. It

calls for a strike force, in other words, to operate on a national basis against outlaw motorcycle gangs; and it simply is my feeling that the only way you are going to get at these is when somebody begins to pay some real attention to their particular characteristics.

Mr. COUGHLIN. It is a difficult problem. As you mentioned in your testimony, you have a group of motorcyclists which I guess you can call gangs which are not engaged in any criminal activity; and distinguishing one from the other in terms of legislation has got to be a difficult problem.

Mr. WALKER. That is a problem. Because so many motorcyclists seem to feel that anything which is done against outlaw motorcycle gangs—something that has the name motorcycle in the title—is done against them. The fascinating thing about the gangs, however, is that they may or may not have anything to do with a motorcycle. They have adopted the motorcycle as kind of a macho symbol for the gang. Most of their activities have nothing to do with the motorcycle. I am not contending in the distribution network that they are running the drugs on the back of their motorcycles. For the most part what they are is truck drivers or engaged in other kinds—sometimes they are the airplane pilots flying the drugs in from other areas of the country. The motorcycle is secondary in terms of the criminal aspect, but very important to the gangs as kind of a macho symbol of the gang. I sometimes used the analogy it is much like the cross is to the Ku Klux Klan. It has nothing to do with their activities. It is more of a symbol for the operation of the group.

Mr. COUGHLIN. Do you think it is more difficult to cope with the motorcycle gangs in areas where you have local police jurisdictions as opposed to, I guess, really State police? Are the State police the only kind of organization that can get at this in any really effective way?

Mr. WALKER. It has been the State police organizations around the country that have done the real intelligence work and put together the strike forces that are now underway, except in a few exceptions such as here in Philadelphia where there was a Federal strike force put together a couple of years ago to deal with the Pagan problem in Delaware County.

For the most part, it has been State police. The reason why it fell to local police so often is because the gangs were not viewed as being an organized criminal network. They were viewed as being a bunch of local toughs that went down to the local taproom and raised Cain a little bit. That is a local police problem. It does not affect the State police very much. It certainly does not affect Federal action. It is not until they are looked at in depth, and I am talking about the four big groups here, that they find out they are operating interstate criminal networks. That is what the Federal Government has to operate on.

Mr. COUGHLIN. Those four groups are?

Mr. WALKER. The Hell's Angels, Banditos, the Outlaws, and the Pagans. They seem to be the ones which are the most serious concern for law enforcement officials at the present time.

Mr. COUGHLIN. Your feeling is there should be a Federal strike force of some sort investigating specifically those four groups to look at their connection with the illegal activities?

Mr. WALKER. I think there needs to be a concerted effort. I came up with the strike force idea. I am willing to accept practically anything which focuses on the outlaw gang problem in a way that separates it out from some of the other things that are being done in drugs, that are being done with organized crime, because they are very unique in many of their aspects.

Second, the fact that they have not been dealt with means that they are in their developmental stages and are just beginning to get organized and could become a more serious threat in the future. If we deal with them immediately, we may have some hope of breaking up the organized nature of them and therefore would keep it from being an even more serious problem in the relatively near future.

Mr. COUGHLIN. Do you have any feeling for the organizational structure of these gangs?

Mr. WALKER. Only when the task force that I chair—with the Republican Research Committee—held our hearings, we got some feel for that through some of the witnesses that we had come in and testify who had ridden with the gangs. According to those witnesses, they are organized not only very—in a very, very tight fashion within the individual clubs, but they are also beginning to organize almost into a national syndicate. According to one witness, she had been at a meeting where there were whole groups, where the leaders of the various motorcycle gangs from across the country got together and met. It was her comprehension that one of the things that was done was carving up territory at that point.

So that it is not only we are facing these individual gangs, but we are also facing them perhaps as a syndicate which is dividing up the Nation into criminal jurisdictions.

Mr. COUGHLIN. Do you have any feeling for how you go about joining one of these gangs? How do you get involved in it?

Mr. WALKER. There seem to be a variety of ways on that. In some cases, people are involved in a very innocent way. They enjoy riding motorcycles and get together with a group that is eventually maybe associated into one of these criminal groups. In other cases, some of them have specifically gone out and joined an outlaw motorcycle gang because they wanted to be associated with this kind of macho idea that surrounds the gang.

I had an interesting experience recently. Some of the motorcycle groups that have expressed concern one way or the other about my resolution, most of them have been opposed to it. Some of them have been supportive. One of the groups that have been supportive is a group called the Sidecar Association. I talked to a group when they had a meet recently in Hershey, Pa. The one fellow was kind of interesting. He said as much as I enjoy motorcycling, he said I am afraid one of these days a club that I am a member of might be associated by one of these outlaw gangs. He said at that point I will quit the club and quit motorcycling because I want nothing to do with that. There is even a fear within people who are obviously family-oriented, people who just enjoy going out and riding, that

their club is threatened by some of the intimidation which exists with regard to these outlaw gangs.

Mr. COUGHLIN. Does the staff have any questions of Congressman Walker?

Mr. CARPENTIER. I have one question, Mr. Chairman.

Mr. Walker, you indicated that a few years back, there was a strike force that was formed in this area to handle organized crime?

Mr. WALKER. That is right.

Mr. CARPENTIER. You are pressing to have something similar reconstituted? Have you made your concerns known to the officials in the Justice Department?

Mr. WALKER. Yes. I have talked to officials in the Justice Department, particularly people in the Drug Enforcement Administration who have indicated to me, primarily through staff contacts, that they think something of this kind would be extremely valuable. Anybody who has been associated with the problem, anybody who has dealt with the problem in depth, agreed we need this kind of coordinated effort. The letter I submitted from the U.S. attorney's office in California is, I think, a very good piece of documentation of why this need is there.

Mr. CARPENTIER. So you feel there is a concern within the Department. It is just a matter of getting the awareness?

Mr. WALKER. Also to permit them to focus some of their resources. At the present time, it is not viewed as a serious enough problem nationwide that they can get the resources that they need to deal with outlaw motorcycle gangs as a singular threat; and I think if you have the strike force kind of concept underway, that you would get the resources they need to deal with the problem.

Mr. CARPENTIER. Thank you.

Mr. COUGHLIN. Thank you very much. We appreciate our colleague's being here and his interest in this. We do invite you to join us here on the panel. We would be delighted to have you.

Mr. WALKER. Thank you, Mr. Chairman.

Mr. COUGHLIN. Our first panel this morning will be a panel from the Drug Enforcement Administration, Special Agent-in-Charge John Wilder and Special Agent Frank Wickes from the Intelligence Division of the Drug Enforcement Administration.

I might say we have been very, very pleased. The Drug Enforcement Administration has been most cooperative in working with us in preparing these hearings and working with the very excellent staff of the Select Committee on Narcotics Abuse and Drug Control. We more than appreciate their cooperation and their work.

Are Mr. Wickes and Mr. Wilder here?

TESTIMONY OF NORTON J. WILDER, SPECIAL AGENT-IN-CHARGE, ACCOMPANIED BY FRANK WICKES, INTELLIGENCE SUPERVISOR; JOSEPH DINO, JR., ASSISTANT SPECIAL AGENT-IN-CHARGE; AND DOUGLAS CHANDLER, GROUP SUPERVISOR

Mr. WILDER. Mr. Chairman, if you do not mind, I would like to have the assistant special agent-in-charge Joe Dino and Group Supervisor Doug Chandler join me at the table.

Mr. COUGHLIN. Without objection, please come forward. Perhaps we can swear all four of you in at one time.

[Witnesses sworn.]

Mr. COUGHLIN. Please proceed as you deem desirable.

Mr. WILDER. Good day, Mr. Chairman. On behalf of the Drug Enforcement Administration, I would like to express and welcome the House Select Committee on Narcotics Abuse and Control to Philadelphia. I am pleased to be here today to represent DEA in this important examination of the clandestine manufacture of dangerous drugs. This problem is not confined to a particular age group, ethnic group, or geographic area. Rather, the abuse of clandestinely manufactured illicit drugs is a problem of national proportions. The problem is, perhaps more pervasive in this area than in any other. Thus, the hearing today is very appropriately held here.

Mr. Chairman, I might say there was a 23-percent increase in the number of laboratory seizures from 1978 to 1979, when 237 clandestine laboratories were seized by law enforcement authorities. The increase in laboratory seizures from 1975 to 1979 is even more staggering—up 700 percent. Clandestine laboratory activity in 1979 was markedly different from prior years. From 1975 to 1978, phencyclidine (PCP) was the predominant drug produced. In 1979, however methamphetamine became the leading clandestinely produced drug.

DEA documented 299 illicit methamphetamine and 45 illicit amphetamine laboratories that were seized during 1975 through 1979. More importantly, there were 137 illicit methamphetamine laboratories seized during last year in contrast to the 11 seized in 1975. The figure represents a 1,200-percent increase and is even far more alarming if you consider that DEA enforcement efforts obviously cannot neutralize 100 percent of the illicit laboratories in operation.

There are no universal characteristics regarding laboratory operations. The size of the laboratories ranges from small operations where only minimal amounts of chemicals, glassware, and finished products are available to highly sophisticated facilities operated by major distribution organizations. The predominant location of clandestine laboratories seized by DEA continues to be in private residences or apartments. A few laboratories were located in mobile homes or van-type trucks, which could be moved to avoid detection. Although clandestine laboratories located in licit facilities, such as college laboratories or industrial plants have been highlighted by the media; in fact, there are relatively few of these laboratories because of the lack of privacy and the attendant high risk of discovery.

In the early 1960's, illicit methamphetamine laboratories first began to appear in the Delaware Valley—Philadelphia and the surrounding counties in Pennsylvania, New Jersey, and Delaware. The laboratories cropped up to respond to the market for amphetamines which had been established but which was curtailed as a result of Federal controls on the diversion of licitly manufactured amphetamines.

The relative ease of manufacture and the availability of precursor chemicals opened the door to individuals with little or no chemical background.

The street wholesale price of methamphetamine powder increased tenfold from 1965 to 1975, which was an additional incentive for traffickers to establish clandestine laboratories.

Furthermore, the recidivism among convicted chemists contributed to the problem. Previously convicted chemists often have been found to be right back in business following their release from incarceration if, in fact, they received a prison sentence at all. As a matter of fact, in one particular investigation, a chemist who was sentenced to serve more than 2 or 3 years came back to Philadelphia on a furlough, and at that time, on his weekend furlough, he taught another one of his friends how to manufacture methamphetamine.

Methamphetamine with its debilitating psychological and physiological effects is a well-documented menace. What the communities often fail to recognize is that in addition to the drug itself, the laboratories are the threats. We know of a number of instances where these laboratories have blown up or have caught fire. Some of the chemicals utilized in methamphetamine production are extremely flammable. Where these clandestine laboratories are located in areas of human habitation, the dangers are substantial.

Traditionally, DEA's enforcement program has relied heavily on cooperation and exchange of intelligence with State, county, and local enforcement entities to locate laboratories and to arrest the operators. As the clandestine manufacturing problem accelerated in Philadelphia (and around the Nation as a whole), DEA intensified its enforcement activities against methamphetamine traffickers. That program continues today and remains an important element in our overall enforcement approach. DEA also developed another facet to its assault on clandestine drug manufacturers—liaison with the chemical companies from which the laboratory operators were buying their equipment and precursor chemicals.

The precursor liaison program, begun several years ago, is an effective investigative aid used to discover clandestine laboratories. This program involves the voluntary cooperation between DEA and the producers and distributors of chemicals used in the manufacture of controlled substances. The foundation of this program rests with the special agents who contact the chemical industry and advise them of the substances of interest to the clandestine manufacturers and of the techniques utilized by these individuals. Most chemical companies are now aware of these chemicals which are necessary to manufacture various controlled substances. Because of statutory requirements, professional business ethics, and social concern, the firms voluntarily report any abnormal or suspicious purchases of those chemicals to DEA. I cannot stress too strongly that the cooperation of the large manufacturers and distributors in the chemical industry has been excellent.

The clandestine laboratory seizure statistics for 1979 reflect the degree of importance that the chemical industry plays in DEA's effort to control the clandestine manufacture of controlled substances. Chemical firms supplied DEA with investigative leads in approximately 40 percent of the cases which resulted in the seizure of a laboratory. The criminal element is very aware of the success of this program. In fact, in order to avoid arousing suspicion, the more sophisticated illicit manufacturers have used legitimate cor-

porations as fronts to purchase the chemicals or, in a number of cases, dummy corporations have been established to buy the chemicals. On behalf of DEA, I would like to take this opportunity to publicly express our gratitude to the chemical companies for their assistance with the precursor liaison program.

Ironically, DEA faces several problems resulting from the success of its domestic precursor liaison program. Analysis of a few of the laboratories seized last year revealed that foreign chemical companies were used to purchase the precursor chemicals. In many cases, the foreign firms are not violating their own country's law by selling precursors to U.S. firms or individuals. In order to address this situation before it becomes a serious problem, DEA has assigned one compliance investigator to Western Europe and another to Mexico to establish precursor liaison programs.

Despite the excellent cooperation from the chemical and equipment firms and the coordinated efforts of the law enforcement community in the Delaware Valley, the illicit manufacture of methamphetamine continues. DEA's investigations of seized clandestine methamphetamine laboratories revealed that at least 3 out of 4 purchased or used the precursor phenylacetone (P-2-P) phenyl-2-propanone) in 1 of 2 synthetic methamphetamine manufacturing processes. Consequently, DEA placed this substance in Schedule II of the Controlled Substances Act, effective February 11, 1980. This control has had the very positive effect of eliminating the opportunity for many laboratory operators and would-be laboratory operators. Having taken this action, DEA can reasonably anticipate that the number of clandestine methamphetamine laboratories will decline in 1980 and 1981.

However, the more sophisticated clandestine manufacturers had already anticipated a shortage of this precursor and thus established clandestine laboratories to manufacture this substance, or arranged for the smuggling of phenylacetone from countries where it is not controlled. This alone has not been enough and because the very effectiveness of our precursor liaison program had already cut into the available supply of phenylacetone, a black market was established.

That black market continues to thrive today, primarily because illicit manufacture of methamphetamines is a very lucrative business. For example, a 55-gallon drum of phenylacetone can wholesale on the black market for between a quarter and a half million dollars. Approximately 400 pounds of methamphetamine can be manufactured from such a drum, and each pound of methamphetamine would wholesale out of the laboratory for \$10,000 a pound. Thus, you can see how the initial investment in a drum of phenylacetone can be parlayed into \$4 million worth of methamphetamine at the base wholesale level.

Given the high profits involved, it is no coincidence that elements of traditional organized crime have infiltrated the upper echelons of methamphetamine trafficking. Today, DEA considers organized crime to be a dominant, if not the dominant, factor in clandestine methamphetamine laboratories in the Philadelphia area. In several recent cases, organized crime figures have been convicted of financing laboratories and setting them up.

One particular type of organized crime group, the outlaw motorcycle gang, is very much involved in the illicit production and distribution of controlled substances. Eight of the 237 clandestine laboratories seized in the United States during 1979 were known to be directly controlled by outlaw motorcycle gangs.

For clarification, Mr. Chairman, I would say in all probability those eight were probably not located within the Philadelphia metropolitan area. They were in other locations around the United States.

This figure, however, does not truly reflect the importance of the outlaw gangs trafficking in dangerous drugs, particularly methamphetamine. Recent intelligence indicates that from 20 to 50 percent of the clandestine U.S. methamphetamine production is controlled by outlaw gangs.

Although I have directed most of my comments to the illicit methamphetamine situation, I do not mean to imply that there are not other types of clandestine laboratories in the Philadelphia area or that we are not concerned about the other clandestine laboratories. Within the last 3 years, methaqualone, PCP, MDA, and DET laboratories have been seized in this area. However, the number of methamphetamine laboratories seized has exceeded the combined number of all other illicit laboratories seized.

Mr. Chairman, that concludes my formal remarks about the general situation regarding the illicit production of controlled substances in this area. On behalf of the Drug Enforcement Administration, I would like to thank you for the committee's interest in this important facet of drug abuse.

Mr. WILDER. At this time, Mr. Chairman, I would like to submit a copy of my formal statement for the record.

Mr. COUGHLIN. Without objection, we will receive that for the record.

[Mr. Wilder's prepared statement appears on p. 112.]

Mr. WILDER. Thank you.

In addition, Mr. Chairman, I would like to formally introduce the other members of the DEA staff and also be prepared to answer any questions that the committee might want to ask of this panel.

To my left is the assistant special agent-in-charge of the Philadelphia district office, Joe Dino. To my immediate right is Frank Wickes, the intelligence supervisor for the Philadelphia District Office; to my far right is Douglas Chandler who is the group supervisor of the enforcement group in the Philadelphia district office.

Mr. COUGHLIN. Before we proceed with the questions, I understand Mr. Wickes may have a statement to make. If you want to proceed at this time? There is a briefing he wants to give. We might have that before we proceed with questions unless you want to do it another way.

Mr. WILDER. Mr. Chairman, I have incorporated the statement of Mr. Wickes into my statement. Subsequently, I will have Mr. Wickes available to answer questions that might be related to the intelligence aspects of the office.

Mr. COUGHLIN. Thank you. Let me ask if my colleague Mr. Evans, has any questions.

Mr. EVANS. Mr. Wilder, do you have any idea of the extent, financially, or economically of the methamphetamine production and sale in the Philadelphia area? Or in the area that you have jurisdiction over?

Mr. WILDER. I would have to answer that by saying that the methamphetamine problem has long been a problem in the Philadelphia area. As a matter of fact, most of the investigative efforts or the highest percentage of our investigative efforts and the metropolitan area which would cover all of Pennsylvania and also all of Delaware, we see a higher percentage of methamphetamine trafficking as opposed to other types of drugs in this area. From a monetary standpoint, I think it is obvious that more money is expended in methamphetamine trafficking than probably any other drug in this particular area in terms of setting up the labs, in terms of buying the equipment, and also in terms of retail at the street level.

Most of the investigations that, for example, our district offices are involved in anywhere from an ounce-type investigation on through multipound investigations. Right on up to the seizure of many labs that have taken place within this particular area.

Mr. EVANS. What is the comparison between the amount of methamphetamines and the amount of marihuana usage and sale?

Mr. WILDER. We see large-scale marihuana trafficking but not in proportion to methamphetamine manufacturing and sale. For example, I think as it relates to our street efforts, we come in contact with methamphetamine quite frequently on a day-to-day basis. We have a lot of users of marihuana throughout the Philadelphia area, but in terms of the large wholesale trafficking of marihuana, I think it does not compare to the wholesale trafficking of methamphetamine by far.

Mr. EVANS. Is marihuana usage and sale in small amounts pretty well ignored by DEA?

Mr. WILDER. I would have to say yes.

Mr. EVANS. Has marihuana become a drug which is pretty well ignored by probably the local police as well in small amounts?

Mr. WILDER. I think in small amounts that is correct. Our efforts are geared toward the wholesaler of marihuana and also the smuggling of marihuana on a large scale.

Mr. EVANS. How many cases have you made, for instance, in methamphetamine labs, the seizure of labs as compared to large seizures of marihuana in the past year, your office?

Mr. WILDER. In the past year, for example, I think nine laboratories were seized in the Philadelphia area, or the metropolitan area. I would like to refer to a chart over here. On this particular chart, which is a 3-year graph of what has happened here, we have actually seized a total of 32 laboratories in the Delaware Valley area. That is from 1977 through 1979. There have been nine seizures of laboratories in the Delaware Valley area for this particular year.

Now this 32 does not represent labs that were seized where DEA had no involvement; for example, the State and also local police and many jurisdictions have seized labs where we had no involvement. The laboratories depicted on this graph are those that DEA either initiated the investigations and/or there was close coopera-

tion between other law enforcement entities in the Delaware Valley area.

I would refer to my intelligence chief, Frank Wickes, as it relates to other investigations with respect to marihuana.

Mr. WICKES. Mr. Evans, to my knowledge, in terms of significant marihuana seizure investigations there has only been one within the last 12 months that DEA participated in.

Mr. EVANS. Is that due to a lack of emphasis by DEA or due to the lack of large-scale transactions? What would be your best estimate of the accuracy or truth of that decision?

Mr. WICKES. I think that there certainly are some large-scale transactions that occur in the Delaware Valley with respect to marihuana. The intelligence that is received relevant to that level of traffic in marihuana is shared quite a bit with State and local authorities; and it is a situation where we are working in that area of our responsibility much more directly on a day-to-day basis on marihuana than with methamphetamine.

We are cooperating with them, of course, on the methamphetamine labs as John explained, marihuana, in terms of active participation, active enforcement, I think we defer most cases to the State and local people.

Mr. EVANS. What is the relative ranking of marihuana economically with other illicit drugs in the area? The sale and use of marihuana, how would that rank as far as total number of dollars with, say, methamphetamines or PCP or heroin?

Mr. WICKES. Are you directing that question to me?

Mr. EVANS. You, Mr. Wilder, whoever can answer the question.

Mr. WICKES. I think strictly on a dollar basis, I do not think there is any comparison. It is marihuana.

Mr. EVANS. Can I ask you why the DEA, Mr. Wilder, is concentrating in other areas when the dollars going to organized crime from marihuana sales is higher in marihuana than in these other areas, and when the health consequences by the use of young people of marihuana is being proved to be very harmful? Why are we abandoning marihuana as something that we have to be concerned about?

Mr. WILDER. Mr. Chairman, I do not think that DEA or this office, for example, is abandoning marihuana and that we are not concerned about it. We are very concerned about it. I think what we are looking at is probably from a local standpoint, Philadelphia does not have the volume of marihuana transported into our ports as, for example, the Miami ports. There is much more emphasis on the large importing of marihuana such as airplanes, such as ships, what have you in that area than it would be in this area.

Mr. EVANS. How would you extrapolate that into the answer Mr. Wickes gave that probably marihuana is the largest money maker for those people engaged in the sale than probably any of these other drugs?

Mr. WILDER. That may be true.

Mr. EVANS. Would you think that would be true?

Mr. WILDER. That may be true, but I am not sure it would be true for this particular area, for the Delaware Valley area.

Mr. EVANS. I understood Mr. Wickes, who apparently has been here for a substantial number of years, to estimate that that would be the case? Is that correct, Mr. Wickes?

Mr. WICKES. Mr. Evans, my comment was simply answering the question concerning the total dollar volume. I believe because at the retail level there are probably a lot more people in this area that are consuming marihuana. Strictly from the flat gross dollar standpoint, I believe that that would be a fair and accurate statement.

Mr. EVANS. Is that not part of what we are concerned with, the total number of dollars going into the crime community which is being reinvested in the legitimate business community? Is that not a part of what we are fighting in dealing with drugs and organized crime?

Mr. WILDER. That is true, but I think what happens here, many of the dollars that are derived from marihuana sales are realized from \$5 bags on the corner \$25 bags. This is considered very small-scale trafficking which, in essence, I think becomes more of a local problem than a Federal problem as relates to our enforcement efforts. Our resources are somewhat limited.

Mr. EVANS. Mr. Wilder, in Philadelphia, do they still treat heroin as the No. 1 priority?

Mr. WILDER. Heroin is nationally our No. 1 priority.

Mr. EVANS. What about locally here?

Mr. WILDER. Locally I would say we have a priority but not No. 1. Our No. 1 priority has been methamphetamine because of the nature of the traffic and the size of the traffic.

Mr. EVANS. I would like to commend you because I think you have concentrated on methamphetamines. Over 52 percent of your effort has been in this area. I found throughout the country that DEA is treating heroin as the No. 1 priority, even in those areas where heroin is not a particular problem. I would hope the DEA would continue to localize its priorities, and with that, Mr. Chairman, I will quit questioning.

Mr. COUGHLIN. I thank my colleague, Mr. Walker, do you have any questions?

Mr. WALKER. Yes. Thank you, Mr. Chairman. I would just like to go back to the subject matter that I know a little bit about where you mention in your statement some material regarding the outlaw motorcycle gangs. The figures in your statement just do not add up. For example, if only 8 of the 237 clandestine laboratories seized were in direct control by motorcycle gangs, then we use the figures, and I use those figures, too, of as much as 50 percent of the distribution is with the gangs. Do you have an explanation as to why there is such a divergence in those figures?

Mr. WILDER. Yes. I think mostly, for example, the motorcycle gangs as we know them are very much involved in the trafficking, arranging for the trafficking, providing the protection, things of this nature, but we have not found them to be the lab operators themselves; not in this particular area.

Mr. WALKER. It is my understanding—and I realize that it is true that the distribution is one of the main areas that they are in, but there is also a considerable involvement in the production as well, in certain areas of the country.

Now locally there was a mobile lab operated for some time by the Pagans. There were prosecutions that grew out of that. Are you under the impression that the Pagans are still operating production facilities in this area?

Mr. WILDER. I am not certain that they are myself, but what I have seen here is that they provide the resources; they provide the chemicals, but not necessarily do the producing themselves. In other words, I do not think a biker is the producer of the drug itself. That is what I am saying.

Mr. WALKER. You think while they are still coming up with supplies, that they have gotten out of the actual production business? They are on both ends of the supply network, but in the middle they are out of it?

Mr. WILDER. That would be my understanding.

Mr. WALKER. Mr. Wickes, is that what intelligence would confirm?

Mr. WICKES. Yes, it would, Mr. Walker.

We do not see them as a major factor, if you want to talk about lab operators, as being a major factor in the lab area, as being lab operators.

They certainly have engaged in the precursor end of it, purchasing the chemicals, brokering the chemicals. They are certainly a major factor at the highest wholesale levels on down. Direct participation in a lab is not from a percentage standpoint, is still relatively low as opposed to other types of individuals.

Mr. WALKER. Maybe I do not understand enough about the way it works, but from just a business standpoint that is an awfully odd arrangement, is it not? That they participate on both ends of the products but in the middle get out of it and allow somebody else to perform the work of actually producing the goods?

Mr. WICKES. Our intelligence indicates that the same individuals at the recipient end are not necessarily the same individuals involved making the money with the precursor in the black market. There is no doubt that the bike gangs have employed chemists. Nonbike members, nonclub members. I think maybe that is where there seems to be a difference of where they are in it or where they are not in it. They do employ individuals who are not members of the gangs to do their cooking or manufacturing of meth.

Mr. WALKER. That is a little different aspect of it then. But they are still in control of the facilities even though it is under someone else's direction, it might not be somebody who actually goes out and does a weekend run with the motorcycle, but the lab is still, in that case, under their control?

Mr. WICKES. In many cases, that is correct.

Mr. WALKER. So, when you use a figure of 8 of 237 clandestine laboratories seized were known to be directly in control of motorcycle gangs, that is where you actually have a gang member operating the lab?

Mr. WILDER. Yes.

Mr. WALKER. Out of that 237 there could be many that are actually controlled by the biker gang?

Mr. WILDER. That is true.

Mr. WALKER. Do you have any idea as to what that figure might be?

Mr. WILDER. For example, we have identified in the greater Delaware Valley area, a total of 161 lab operators. These are individuals whom we know to have at some time illicitly manufactured drugs. Additionally, we have another 125 suspects identified and at present we do not have enough cooperative information on them to add them to the primary list.

Mr. WALKER. Out of that 275, how many would you say worked for outlaw bike gangs at some point?

Mr. WILDER. I would not have a figure as to how many of those would be associated with the bike gangs.

Mr. WALKER. How many operating labs do you figure you have in the area?

Mr. WILDER. Presently I would say there are a dozen.

Mr. WALKER. How many of those are controlled by outlaw bike gangs, do you think?

Mr. WILDER. I am not really sure on that particular question, Mr. Walker.

Mr. WALKER. Half of them?

Mr. WILDER. I do not think so. However, because of some active ongoing investigations I would like to answer that question for you during executive session.

Mr. WALKER. OK. Thank you, Mr. Chairman.

Mr. COUGHLIN. Thank you very much. Let me make it clear that we talk a great deal about methamphetamines. We are interested in all kinds of illicit laboratories, obviously. There are other substances that are equally harmful. We are interested in these, too, in the course of these hearings.

We have had a great deal of discussion about precursors. For the record, could you indicate what your definition of a precursor is?

Mr. WILDER. A precursor is what we consider to be one of the main ingredients utilized to manufacture methamphetamines such as the P-2-P which is one of the ingredients or methylamine and/or ether. These are some of the precursors used to manufacture methamphetamine, as a matter of fact, three of the most prevalent precursors used to manufacture the drug.

Mr. COUGHLIN. You indicated that putting P-2-P on schedule II of the Controlled Substances Act has a good effect in terms of reducing the amount of meth manufactured?

Mr. WILDER. That is correct, sir.

Mr. COUGHLIN. Are there other precursors you would recommend putting on schedule II of the Controlled Substances Act that are not now on the schedule?

Mr. WILDER. Not at this point.

Mr. COUGHLIN. You mentioned your precursor liaison program with industry and the success you had with that. I think that certainly is something to be commended in terms of the voluntary cooperation by industry. Are there further steps that should be taken legislatively that you would recommend to provide for the monitoring of these substances?

Mr. WILDER. Mr. Chairman, I think that the liaison program with respect to the foreign companies is just getting underway. I would like to see how that works out to see what the complications might be and if there are any international ramifications, that might have to come before Congress to determine what tools we

may need to effectively control that particular situation. I think that the program itself, the liaison program for the foreign companies, is just too new to determine exactly what we will need. Those contacts with those companies are underway at the present time.

Mr. COUGHLIN. That would have been my next question. It seems to me although you can have very good cooperation on getting reports from domestic companies, where a sale of a substance is made under unusual circumstances, it would be much more difficult to get that kind of report from an overseas company who might not know that the person ordering from them was an unusual customer.

Have you had any success at all in being able to monitor imported precursors?

Mr. WILDER. Yes, sir, we have. Again we have some active investigations going with respect to that. I would be glad to elaborate with you on that outside of the public session, if you do not mind.

Mr. COUGHLIN. What was the average sentence that was given to a convicted lab operator since 1977? Do you have any figures on that?

Mr. WILDER. Yes, sir. The average sentence, as a matter of fact, was 3.5 years. That included 72 defendants that were convicted for manufacture or conspiracy to manufacture, and I would have to say, Mr. Chairman, that probably only one-third of that sentence to maybe one-half of that sentence was served.

Mr. COUGHLIN. To your knowledge do some of the people who serve their sentence, now released, go back and engage in the manufacture of illicit drugs again?

Mr. WILDER. Yes, they do, Mr. Chairman.

Mr. COUGHLIN. Do you feel we should have stiffer sentences for the manufacture of illicit drugs?

Mr. WILDER. I most certainly do. I think that is the position of the Drug Enforcement Administration. The sentence is just not severe enough to prevent recidivism. It is not a deterrent.

Mr. COUGHLIN. This would require amendment to the Controlled Substances Act? That kind of amendment you would recommend?

Mr. WILDER. Yes, sir, I would.

Mr. COUGHLIN. Do you know how many of the convicted operators in this area are still incarcerated?

Mr. WILDER. Yes, sir. As of today, I believe there are 31 defendants that are still incarcerated.

Mr. COUGHLIN. Do you have any feeling for the number of illicit labs that are presently in full operation in the Delaware Valley area? I realize if you knew each one of them, you would be after them; I am just interested in an estimate of how many might still be operating in the area?

Mr. WILDER. Mr. Chairman, we, with the intelligence that we have now, are fairly certain that there are 10 to 12 that are either in full operation and/or that are presently ready to go into operation or in the setting up process. That I think is a very conservative figure based on our intelligence.

Mr. COUGHLIN. So it could be more than that?

Mr. WILDER. It could be more.

Mr. COUGHLIN. More than that number?

Mr. WILDER. Yes, sir.

Mr. COUGHLIN. What kind of obstacles do you face in trying to both obtain information and in trying to eliminate these kinds of laboratories in this area?

Mr. WILDER. Well, one of the obstacles that we face primarily is, as you know, many assets are derived from the manufacture and trafficking of methamphetamine. One of the things that presents itself to be an obstacle is probably the Bank Secrecy Act. In my opinion the act probably needs to be reexamined because Congress has given us the law as it relates to the seizure of assets derived from drug transactions, and, you know, the tracking of moneys, for example, domestic and foreign seems to be a problem in terms of the recordkeeping of the banks and things of this nature.

So that in itself presents itself as a problem with respect to the enforcement of the laws.

Exposure in the courts often comprises our sources of information. That is a problem, because people are afraid of retaliation as it relates to giving up information and/or aiding or assisting the law enforcement entities with respect to the identification and possible arrest of suspects involved in trafficking activities.

Those certainly present two of what I consider to be some of the biggest threats.

Mr. COUGHLIN. So one would be amending the basic secrecy act to allow you to be able to track—

Mr. WILDER. Track money transactions, because there are large-scale money transactions that are taking place on a day-to-day basis that we are never made aware of.

Mr. COUGHLIN. What kind of a sentence do you think should be required for the operation of an illegal laboratory?

Mr. WILDER. Mr. Chairman, I would say this: I think the law says 5 years as a matter of fact. The individual can be given 5 years. I believe that if the courts would impose that 5-year sentence, I believe it would be a good deterrent in terms of operating these labs or it would prevent some of the recidivism that we have experienced.

I think the law is there, but it just needs to be utilized to the fullest extent by the courts.

Mr. COUGHLIN. You mentioned the connection between organized crime and the operation of illicit labs. In what area do you see this connection? Are you talking about organized crime actually operating the labs or organized crime starting the labs or organized crime coming into the labs once they are started?

Mr. WILDER. Mr. Chairman, I think organized crime is probably most involved in financing of the operation, obtaining the chemists, financing the site, financing all of the precursors, and making arrangements for the precursors to be obtained.

They are more involved from the monetary aspects as versus the actual street dealing and retailing and what have you.

Their primary role would be pretty much in terms of financing the operation.

Mr. COUGHLIN. What evidence do you have of organized crime being specifically involved? Can you give us any feeling for that?

Mr. WILDER. Yes, sir, I would defer to the intelligence chief, Frank Wickes.

Mr. WICKES. Of the 161 individuals that we have identified as lab operators, approximately 25 of those definitely are or have been affiliated with organized crime, traditional organized crime. Some people say all crime is organized in this area; but 25 of these people we definitely have identified as being affiliated with traditional organized crime.

They are not members of organized crime themselves, but sort of analogous to how these other individuals are utilized by the motorcycle gangs in the manufacture, these individuals have been and are being used by traditional organized crime to run the labs.

Mr. COUGHLIN. Of labs that you seized, where in the Delaware Valley area were most of these seized? Were they in the city of Philadelphia? Outside the city of Philadelphia? In what part of the valley?

Mr. WILDER. If we refer to the map over here, Mr. Chairman, I think we can see that right in the Philadelphia area itself, there were nine labs seized. In Delaware, there was one, and, for example, down near Chester, Pa., we seized five. Pottstown had one; Bucks County had three, Burlington County, which is Burlington, N.J., had two, Camden, N.J., right on the outskirts of Camden, had one lab.

Mr. COUGHLIN. These areas where the bulk of the labs are located, are they also areas with a high incidence of organized crime?

Mr. WILDER. I would say the highest incidence of organized crime would probably be in the Philadelphia area and also nearby New Jersey.

Mr. COUGHLIN. Does the staff have any questions at this point?

Mr. CARPENTIER. No, Mr. Chairman.

Mr. COUGHLIN. I think we will then recess the hearings for about 10 minutes to let the stenographer get a bit of a rest here and then reconvene.

[Brief recess.]

Mr. COUGHLIN. If we could reconvene the hearings, please.

The hearing will come to order.

We will have a demonstration by Special Agent Don Jerry Miller of the Drug Enforcement Administration on the simplicity of setting up illicit laboratories.

Mr. Miller, if you would proceed to describe what you have here.
[The witness was sworn.]

TESTIMONY OF SPECIAL AGENT DON JERRY MILLER, DRUG ENFORCEMENT ADMINISTRATION

Mr. MILLER. You have before you a typical methamphetamine laboratory which is composed of all the chemicals and equipment necessary for the manufacture of 1 pound of methamphetamine. The total retail cost of the apparatus is approximately \$1,000. All of the items displayed are readily available at any scientific apparatus wholesale or retail outlet and are present in any college science laboratory.

The total retail cost for the chemicals is approximately \$250. The chemicals are also readily available with the exception of phenylacetone also known as P-2-P. The total outlay for subsequent 1-pound batches of the product would be \$250 for the chemicals alone as the apparatus is reusable.

The choice of laboratory sites among illicit chemists is unlimited. Sites encountered by the Philadelphia Office of the Drug Enforcement Administration are apartments, single family homes, rented palatial estates, garages, barns, college laboratories, legitimate pharmaceutical manufacturing laboratories, campers, cabins, and motel rooms.

The only limiting factor in the selection of a laboratory site is providing an adequate means of ventilation and the masking or speedy dispersion of odors caused by the manufacturing processes.

Many of the laboratories are mobile in that they have the capability of being assembled and disassembled for each run. The time element involved from the setting up of the laboratory to a finished product in crystalline form is approximately 24 to 40 hours. The most commonly used process in the Delaware Valley may be broken down into three stages.

The initial stage may be called the reaction stage. That would be the portion of the table to my immediate right. Involved in the reaction stage is the combining of five chemicals, as you have before you, in prescribed amounts; two of the chemicals are catalysts, two are reagents, one of which is the primary precursor phenylacetone, and the remaining one is a solvent. This stage requires approximately 6 hours to completion.

For obvious reason I will not name all of the chemicals. The second stage, to my immediate front, may be called the filtering and neutralizing stage which involves the utilization of an additional chemical to alter the pH factor of what is now a liquid solution. This stage requires approximately 4 hours to completion.

The third stage, to my left, is called the crystallizing stage. During this process, the liquid solution is evaporated through the use of solvents and heat and is cleaned of impurities and byproducts. The time involved is approximately 18 to 24 hours. One pound of illicit methamphetamine wholesales in the Philadelphia area for an average of \$10,000.

Methamphetamine can be diluted four times. That is, 4 additional pounds of diluent substance such as Epsom salts, lactose, mannite, can be added to 100 percent pure methamphetamine to make 5 pounds of 20 percent methamphetamine which is street-level purity. If the 5 pounds of street methamphetamine are to be sold in teaspoon quantities at \$50 per teaspoon, the retail value of the original pure pound would be \$64,000.

There is no stereotype of a clandestine methamphetamine chemist. The Philadelphia Office of the Drug Enforcement Administration has successfully prosecuted illicit chemists whose education spans from a third grade dropout to a Ph. D. in analytical chemistry.

Most of these individuals, however, no matter what their formal education, are street wise. They, by being at the top of the criminal organizational pyramid, make a considerable profit and have insulated themselves from the street traffickers who are subjected to maximum exposure to law enforcement.

I would be glad to answer any questions with regard to the equipment and the chemicals in front of me.

Mr. COUGHLIN. Mr. Evans, do you have any questions?

Mr. EVANS. Thank you, Mr. Chairman.

What is your estimate of the cost of producing the pound of drug that you just mentioned?

Mr. MILLER. The original cost for the equipment would be approximately \$1,000. The cost for the chemicals would be \$250. For each additional pound produced, you would only have the cost of the chemical for each pound which would be \$250.

Mr. EVANS. The wholesale value would be \$10,000 in the Philadelphia area?

Mr. MILLER. Yes, sir. I have before me a representative sample that is equivalent to 1-pound of methamphetamine. This is what it would look like in volume. That would be worth \$10,000.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Walker, do you have any questions?

Mr. WALKER. Just briefly. The thing that makes this attractive then to relatively crude criminal organizations is the fact that they can get in at a very low cost and that it is something which they do not have to have any elaborate facilities to operate. Is that kind of your experience?

Mr. MILLER. Definitely. This setup in comparison to some we have encountered could be considered elaborate. It is typical but could be considered elaborate comparing it with the other items of apparatus we have encountered. You can use any type of vessel that would withstand heat. You can use ceramic buckets if you so desired.

Mr. WALKER. In reality an individual with a certain amount of skills in chemistry could have his own manufacturing facility going pretty quickly. His main problem then would be in distribution, is that right?

Mr. MILLER. Yes, that is right.

Mr. WALKER. Thank you, Mr. Chairman.

Mr. COUGHLIN. The equipment that you have before you, is this equipment that was actually seized by the DEA or is this equipment that was reconstructed?

Mr. MILLER. This is equipment that was seized by the DEA.

Mr. COUGHLIN. Seized in this general area?

Mr. MILLER. Yes; in the Philadelphia area.

Mr. COUGHLIN. Do you have any questions?

Mr. EVANS. Yes, Mr. Chairman.

Sir, what would be the chance of getting impure drugs that would be harmful to one other than the normal way that a drug would be harmful in dealing with the various number of chemists that you have, with the differing degrees of education and ability?

Mr. MILLER. The difference in education would definitely enter into the picture of the impurity of the final substance. Also, there is virtually no quality control in the manufacture of methamphetamine, although we have encountered 100 percent pure methamphetamine in the Philadelphia area, we have also encountered 30 percent pure methamphetamine coming straight from a laboratory which would indicate the other 70 percent would be byproduct, waste product, or diluent.

Mr. EVANS. What is the relative danger of a person who would use this as far as having some kind of health injury to himself as a result of some imperfection in the manufacture?

Mr. MILLER. A user who would purchase methamphetamine on the street would have no way of knowing the contents of the methamphetamine.

Mr. EVANS. Do you have any evidence that anybody suffered injury as a result of this other than the injury they would suffer from overuse of the drug?

Mr. MILLER. I don't have any at hand myself. I am sure there are instances that are documented.

Mr. EVANS. You would not recommend somebody buying this product off the street and feeling secure in the use?

Mr. MILLER. Definitely not, especially based upon my experience as to what I have seen in those laboratories.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Let me ask you something about the dangers of operating the laboratory itself.

Is this equipment relatively safe to operate? Is this a fairly dangerous operation?

Mr. MILLER. No. It is dangerous with respect to some of the highly flammable solvents that are utilized, especially the solvent ether. I am sure we are all aware of the significance of ether from the newspaper headlines recently.

Mr. COUGHLIN. For the record, what is the danger of having a large quantity of ether?

Mr. MILLER. It is highly flammable and explosive. It forms an explosive gas when exposed to the atmosphere.

Mr. COUGHLIN. Does the staff have any questions?

Mr. CARPENTIER. Mr. Miller, the labs that have been seized in the Philadelphia area, are most of them fairly consistent in their makeup? In other words, does it imply some degree of interconnection as far as the manufacturing, the equipment that was used, and the processing, or do they vary distinctively?

Mr. MILLER. Many pieces of the equipment are commonly used in all of the laboratories we have encountered. We have found that there is to some degree association between people that are involved in the manufacturing process. If they don't know each other personally, they know of each other. They know of each other's reputation.

Mr. CARPENTIER. Thank you.

Mr. COUGHLIN. Do you have questions, Mr. Starek?

Mr. STAREK. Yes; thank you, I do.

How long does it take to make a pound of methamphetamine?

Mr. MILLER. Approximately 24 to 30 hours.

Mr. STAREK. So the average lab then could produce 5 or 6 pounds a week, am I correct?

Mr. MILLER. Very easily.

Mr. STAREK. Thank you very much, Mr. Chairman.

Mr. COUGHLIN. We will recess the hearing to allow us to go down and look at the demonstration for those who care to and to allow the demonstration to be broken down.

Thank you very much, Mr. Miller, for doing this.

We will recess for 10 minutes.

[A brief recess was taken.]

Mr. COUGHLIN. The hearing will come to order.

If there are those who wish to leave the room, they can do so at this time. The room will be secured during the period of time during which the next witness is here, and until he leaves the premises.

The next witness is a confidential witness. He is an ex-professional man who through his own ambition became directly involved in the manufacture of methamphetamine. The witness sold precursor chemicals for methamphetamine and acted as a chemist in the operation of six different clandestine labs.

The witness was involved in the trafficking for a period of 4 years and was arrested in operating a clandestine lab. Subsequent to his arrest, he continued to engage in operating labs. The witness has been convicted in Federal court for the manufacture of methamphetamines and served a period of incarceration.

We will then proceed if the doors have been secured.

We will proceed with the next witness.

To protect the identity of the witness, we will refer to you as Mr. Jones.

Mr. Jones, the policy of this committee is the testimony is sworn.

Would you be so kind as to raise your right hand?

[The witness was sworn.]

Mr. COUGHLIN. We thank you for your willingness to participate in these hearings. If you would proceed with any statement that you care to make, we would appreciate it.

TESTIMONY OF HOODED WITNESS (MR. JONES) CONCERNING INVOLVEMENT IN METHAMPHETAMINE LABORATORIES

Mr. JONES. I have no preliminary statement.

I might wish to make a statement after you have asked some questions.

Mr. COUGHLIN. Just as a lead question, can you tell us how you became involved in the manufacture of methamphetamine?

Mr. JONES. I was in a related business, a related legitimate business.

Mr. COUGHLIN. How did you become involved in the methamphetamine manufacture? Was that something you undertook on your own or others encouraged you to undertake it?

Mr. JONES. Other people came to me.

Mr. COUGHLIN. Was it under any kind of a threat or an inducement that other people came to you?

Mr. JONES. There was no threat originally, just the promise of a great deal of financial profit. There were threats later on.

Mr. COUGHLIN. What was the nature of the threats later on?

Mr. JONES. Death, killing, or serious bodily injury.

Mr. COUGHLIN. Did you feel that the encouragement that you received to go into the manufacture of methamphetamine was coming from an organized crime source or not?

Mr. JONES. Organized crime is involved in the manufacture of methamphetamine, and I have been directly and indirectly involved with organized crime, however, I am not sure that these particular threats came directly from organized crime.

Mr. COUGHLIN. You are not sure? Did you feel that the initial encouragement to become involved was an effort on the part of organized crime?

Mr. JONES. No, sir.

Mr. COUGHLIN. How long have you been involved in the methamphetamine business?

Mr. JONES. Approximately 2½ years.

Mr. COUGHLIN. From your experience, is the methamphetamine business a big business in the Philadelphia area?

Mr. JONES. Yes, sir.

Mr. COUGHLIN. In your experience, are the people involved in the methamphetamine business more violent than people involved in other drug markets?

Mr. JONES. I don't think so. There is violence involved in all aspects of the drug business.

Mr. COUGHLIN. Let me yield to my colleague from Georgia, Mr. Evans, and then we will come back with some further questions.

Mr. EVANS. When you were originally approached to go into the methamphetamine business, what type of financial reward were you promised or what kind of financial gain did these people indicate that you could expect from the methamphetamine business?

Mr. JONES. You can buy a pound of a particular chemical for, let's say, \$10, and you can sell that chemical on the market for anywhere from, let's say, \$200 to \$1,000.

Mr. EVANS. What kind of percentage could you expect out of that? Were you a part of an organization in your work?

Mr. JONES. Yes, sir.

Mr. EVANS. What kind of percentage could you expect out of a profit of \$200, say?

Mr. JONES. Well, I wasn't interested in an individual transaction. I was interested, my interest was aroused by the promise of a great deal of money over a long period of time as opposed to an individual transaction.

Mr. EVANS. You were involved for a period of, say, 2½ years. On a yearly basis, what kind of income did you get from the operation?

Mr. JONES. I would say my income was in the low six figures.

Mr. EVANS. Well over \$100,000?

Mr. JONES. I earned over \$100,000 during the period that I was involved.

Mr. EVANS. Did this require constant work on your part? Were you also engaged in some legitimate activity at the same time you were engaged in this illegal activity?

Mr. JONES. Yes, sir.

Mr. EVANS. During the time that you were engaged in this activity, did you have the opportunity to become associated and to learn the inside of the methamphetamine operation in this area?

Mr. JONES. I believe so.

Mr. EVANS. Can you tell me whether or not there were any so-called motorcycle gangs involved in the particular operation that you were involved in?

Mr. JONES. Yes, sir; there are.

Mr. EVANS. Is that from the standpoint of manufacture or distribution or both?

Mr. JONES. My understanding is they are definitely involved in distribution and also indirectly involved in manufacture in that they provide equipment, chemicals, and financing.

Mr. EVANS. So that the motorcycle gangs that we heard testimony about previously form the supply end of distribution as distinguished from the actual manufacturing end?

Mr. JONES. I do not believe their own people are involved in the manufacture, but they are involved in the manufacture through financing and chemicals.

Mr. EVANS. What kinds of qualifications would one have to have to manufacture methamphetamine? Is it fairly easy to pick up?

Mr. JONES. You don't have to have any qualifications; to make good speed is one thing, to make speed is another. Anybody can make speed. That is one of the problems with the speed that is on the street today, is that three-quarters of the people who manufacture—we call them cooks—three-quarters of them are burglars who aren't doing well enough in the burglary business, so they have gotten into the manufacture of speed.

Mr. EVANS. What is the result on the street of people using the type of speed that is made by those so-called cooks? What are the chances of a person being harmed other than by the use of a legitimate well-produced methamphetamine?

Mr. JONES. Well, there is a good chance of your getting sick, large boils on the back of your neck. You might blow up like a balloon. It will ruin your teeth, rot your teeth away over a period of time, and you get very paranoid.

Mr. EVANS. Now, it's your statement that some 75 percent of the methamphetamine that is being produced in this area is being produced by these so-called cooks, is that correct?

Mr. JONES. I would say more than 75 percent.

Mr. EVANS. More than 75 percent? So the danger to these people who are users of the methamphetamine is very great that they will be substantially harmed by the use of this illicit drug?

Mr. JONES. Over a period of time, if you are a speed user, it's virtually certain that you are going to end up with some bad speed. You are going to have a bad, an individual bad trip, or it's going to hurt you over a long period, do serious damage of a permanent nature.

Mr. EVANS. What chemical properties are present in the badly produced methamphetamines that would cause injury? Would this be a variety of different chemicals, or is it just one or two predominant chemicals that might result in the so-called bad production?

Mr. JONES. Well, it's not clean, so you don't know.

Mr. EVANS. What impurities are present? Are there any predominant impurities that are present in the bad production that results in injury to the user?

Mr. JONES. Well, one of the chemicals that is left in is a methamphetamine salt which, if the methamphetamine were produced in a professional laboratory, they would use organic solvents to get a pure or almost pure product, and a clandestine laboratory, you just don't know what the cook is using and how he is making the speed.

To give you an example, there is—I know of an instance where a fellow who was cooking knocked a flask off the table. The liquid speed went on the—in base form—went on the floor. Rather than lose \$10,000 worth of speed he sopped it up with a towel and wrung it out. That speed ended up in somebody's veins. That is the rule rather than the exception.

Mr. EVANS. So aside from engaging in breaking the law, the speed user in this area is taking his life in his hands when he buys the illicit speed?

Mr. JONES. Yes, sir. He is taking his health in his hands absolutely, and possibly taking his life in his hands.

Mr. EVANS. How greatly would you say that organized crime is involved in the operation of most of the methamphetamine illegal labs?

Mr. JONES. I don't know if I can answer that question specifically, but they are involved to a very large extent. Now, due to recent occurrences in this area, they will be involved to an even larger extent.

Mr. EVANS. How extensive is the use of speed in this area? What percentage of the population would you estimate is using the speed that is manufactured in these illegal labs?

Mr. JONES. Well, it's been estimated that marihuana is used by, let me do a little calculation in my head, it's estimated that marihuana is used by roughly 25 percent of the population, so I would say that speed is probably used by about 5 percent of the population.

Mr. EVANS. What is the likelihood that a person will be caught and sent to prison for the operation of an illegal lab? I guess I could rephrase that question to ask you of all the number of people that have participated in the operation of those labs, what percentage of them are caught, do you think?

Mr. JONES. I could only guess, but I do know that it is a minority of those who are manufacturing.

Mr. EVANS. You would say well less than 50 percent of the people are caught?

Mr. JONES. Oh, absolutely, yes.

Mr. EVANS. What has been your experience of those who are caught who serve time for their first offense the first time they are caught?

Mr. JONES. In the case of manufacturing you usually do time.

Mr. EVANS. How much time do you actually do? Is that the 3.5 years average sentence we talked about?

Mr. JONES. Probably less.

Mr. EVANS. What percentage of the people who are actually caught and serve time go back into the actual operation?

Mr. JONES. I don't know the answer to that question.

Mr. EVANS. Do you have any indication that a good many people do actually go back into the operation once they are released?

Mr. JONES. Well, it would be reasonable to draw that assumption because, despite the fact that the penalties are great, the rewards are great also.

Mr. EVANS. Do you think the penalties are commensurate with the financial gain that one can expect from the operation of a lab?

Mr. JONES. It is difficult to answer that question. I am personally one who believes that stiffer penalties will not necessarily alleviate the situation.

Mr. EVANS. Let me give you a comparison. I note that we have received testimony that marihuana is used extensively in this area and the financial gains from large-scale marihuana operations are high.

Mr. JONES. Right.

Mr. EVANS. Would there not be a tendency on the part of people who are going to engage in the illegal activity to gain the profits from marihuana than from the operation of illegal labs?

Mr. JONES. No.

Mr. EVANS. Could you explain that answer?

Mr. JONES. Marihuana is a very bulky, heavy drug. It's an entirely different operation than manufacturing speed. It requires a plane, it requires a boat, requires some means of mass—a truck to bring it into this area. To manufacture speed, you can take the equipment and chemicals necessary to manufacture speed and put them in the trunk of your car, go off somewhere for a day, and make a pound of speed.

Mr. EVANS. So that the difference—

Mr. JONES. If I had my druthers and I could deal in either, I would much rather deal in speed than in marihuana. Marihuana is a bulky, cumbersome drug.

Mr. EVANS. Do you have any opportunity to see any connection between the methamphetamine operators to also operate in heroin or cocaine or any other narcotic drug?

Mr. JONES. You are talking about at the upper echelon or the—

Mr. EVANS. At the upper echelon, not at the street level. I would assume at the street level you sell whatever you can get. In the upper echelon, those people who would actually invest money and start an operation, those people also deal in heroin and cocaine?

Mr. JONES. Organized crime deals in all drugs. If you are talking about a speed cook or a speed distributor, he deals in speed. He might deal in cocaine and PCP, probably not heroin. They are different drugs that go to different people.

Mr. EVANS. Approximately how many labs do you think are operating in the area on the map over here to your left?

Mr. JONES. At the present time?

Mr. EVANS. At the present time.

Mr. JONES. If you told me there were 25 labs operating, I wouldn't be surprised.

Mr. EVANS. How much money do you think we are talking about that is going into the hands of the methamphetamine operators in this area?

Mr. JONES. You are talking about millions of dollars.

Mr. EVANS. Are you aware of any use of this money to pay off anyone in an official capacity?

Mr. JONES. No, sir; I am not.

Mr. EVANS. As far as you know then the local officials are doing everything they can to stop the operation?

Mr. JONES. If that is not true, I have no knowledge to the contrary.

Mr. EVANS. Did you have the opportunity to be involved in the entire scheme of the operation or were you limited to just the production?

Mr. JONES. I don't know exactly what you mean by entire—

Mr. EVANS. Were you involved in solely the manufacture of the methamphetamine or did you have the opportunity to observe and

be a part of the entire operation from the supply of the chemicals and supplies through the manufacture, through the distribution?

Were you part of an organization and to what extent did you participate in that organization?

Mr. JONES. Well, I did not go out on the street and expose myself by selling nickel and dime bags, but I did have an opportunity to observe the entire operation, I would say.

Mr. EVANS. Were you actually a manufacturer? Did you actually do the cooking or whatever?

Mr. JONES. Yes, sir.

Mr. EVANS. Did you help in the formation of an organization or the operation itself? Did you have any of the planning responsibilities of the operation?

Mr. JONES. I would have to say no to that.

Mr. EVANS. So primarily you were a hired hand, if you will?

Mr. JONES. Yes, sir.

Mr. EVANS. You had a certain responsibility and you were paid a certain amount over a period of time for doing that job?

Mr. JONES. Right.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Walker?

Mr. WALKER. Thank you, Mr. Chairman.

You testified that you were aware of the involvement of outlaw motorcycle gangs in the distribution system primarily of the methamphetamine. Did you deal with outlaw motorcycle gangs directly?

Mr. JONES. Not me personally, no.

Mr. WALKER. You personally never were in contact with outlaw gangs?

Mr. JONES. No, sir.

Mr. WALKER. Do you have any specific knowledge as to which gangs were involved in the distribution in the whole area?

Mr. JONES. There were two motorcycle gangs in the local area that are involved in the drug traffic. One is called the Pagans and the other is called the Warlocks.

Mr. WALKER. In this local area, both the Pagans and the Warlocks are involved in methamphetamine production?

Mr. JONES. Yes, sir.

Mr. WALKER. And primary distribution. There has been animosity between those two gangs. Are you aware part of that animosity is based upon warfare over the control of the methamphetamine market?

Mr. JONES. Yes, sir.

Mr. WALKER. You believe that to be the case?

Mr. JONES. Yes, sir.

Mr. WALKER. The threats that came to you, was it in any way indicated to you that the people who would carry out those threats against you were involved with outlaw motorcycle gangs?

Mr. JONES. Those particular threats did not involve motorcycle gangs.

Mr. WALKER. They did not involve motorcycle gangs? What kind of lab was it that you operated? Was it a mobile lab? Something that you set up on a farm, in your home, something like that?

Mr. JONES. It was mobile. We moved it around.

Mr. WALKER. You moved it around?

Mr. JONES. Yes, sir.

Mr. WALKER. Where did you primarily operate out of, what kind of facilities?

Mr. JONES. Rented cabins, primarily.

Mr. WALKER. Who financed that operation?

Mr. JONES. I won't give you his name but there was a person who financed the operation.

Mr. WALKER. Well, the person who financed the operation, was he a part of a particular organization; are you aware?

Mr. JONES. I would say he is either directly or indirectly connected with organized crime.

Mr. WALKER. With traditional organized crime rather than an outlaw motorcycle gang?

Mr. JONES. Yes, sir; he does deal with motorcycle gangs also.

Mr. WALKER. OK; what kind of form does his dealing with motorcycle gangs take?

Mr. JONES. I don't know what you mean by that.

Mr. WALKER. For instance, does he get the supplies that he needs from the gang?

Mr. JONES. No; he provides the supplies to the gang.

Mr. WALKER. He provides the supplies to the gang? They then, as far as you know, they then operate the distribution and get the product on the street; is that it?

Mr. JONES. Correct.

Mr. WALKER. He would be in regular contact with them; after you had done the manufacturing, it was up to him to deal with the gang and get the supply to them which then went to the street?

Mr. JONES. Correct.

Mr. WALKER. Did they then buy the product from him directly? Did he wholesale it to them, or after getting the product did they return a certain amount of cash to him?

Mr. JONES. Both of those situations. If he had the speed he sold it to them; if they had the speed he bought it from them, whatever the situation called for.

Mr. WALKER. Who do you think is threatening you at the present time? Who do you think you are appearing here confidentially. I assume you are under protection of the witness protection program or something at the present time.

Who do you think threatens you at the present time?

Mr. JONES. Are you asking me to name a specific person?

Mr. WALKER. No; I am talking primarily in generalities here. Do you think it's organized crime that is the chief threat to you personally at the present time?

Mr. JONES. There are some people in organized crime who either do or would pose a threat to my safety, yes.

Mr. WALKER. Thank you, Mr. Chairman.

Mr. COUGHLIN. You mentioned that organized crime would be involved to an even larger extent as a result of recent occurrences in response to a question of Mr. Evans.

What recent occurrences are you referring to? Why do you think that is the case?

Mr. JONES. Well, I think it's fairly well known that organized crime in the Philadelphia area has been for many years antinarcotics, antidrugs at the highest level. There has been also for several

years a conflict within the organization, within the Philadelphia organization and also a conflict between the Philadelphia organization and the New York organization, so that what is happening now was a foregone conclusion, 2 years ago, a year and a half ago that it was going to happen. It was only a matter of time.

Mr. COUGHLIN. You are saying that organized crime in the past was adverse to dealing with illegal drugs in the Philadelphia area but is not now adverse to it?

Mr. JONES. I am saying organized crime is not adverse to dealing in drugs. I am saying the Philadelphia organization was adverse to dealing in drugs. It was very closely akin to the story as told in the movie, "The Godfather," where the older element of organized crime in Philadelphia was antidrug.

They didn't care about loansharking, prostitution, gambling, anything of that nature, but they did care about drugs, whereas the younger element wanted to deal in drugs, plus the New York organization wanted to deal in drugs. So what is happening now with the change in management is something that everyone knew was going to happen a long time ago.

Mr. COUGHLIN. What do you think is the best way of combatting the increase in the manufacture of drugs?

Mr. JONES. Well, I personally feel that you have to educate the public, the parents and the children, teenagers, as to what it is that they are using or that they are exposing themselves to as opposed to—I think education is every bit as important, if not more important, as increased penalties.

Mr. COUGHLIN. You think that because P-2-P is now controlled this will make the illegal manufacture of methamphetamine more difficult?

Mr. JONES. Probably, maybe; then again maybe not.

Mr. COUGHLIN. Do you think there are ways of getting around that chemically or getting around that in acquiring P-2-P?

Mr. JONES. The answer to both questions is yes. There are ways of getting around it chemically which have already been initiated. There are also ways of getting around it supplywise.

Mr. COUGHLIN. Does the staff have any questions at this point?

Mr. WALKER. Could I ask one additional question?

What effect do you think that a crackdown on organized crime or on outlaw motorcycle gangs per se would have on the whole system of distributing methamphetamine? Would there be a significant effect if in fact the enforcement agencies had a concerted drive against outlaw motorcycle gangs?

Mr. JONES. Yes, sir.

Mr. COUGHLIN. Mr. Carpentier, do you have a question?

Mr. CARPENTIER. Yes, Mr. Jones, can you describe in general terms the principal users of methamphetamine? It seems like you would be able to sell whatever amounts you were able to make, am I correct?

Mr. JONES. Yes; that is true. There is no shortage of users.

Mr. CARPENTIER. So the demand is high. Do you have any idea the type of person? Is this for younger people or—

Mr. JONES. I would say primarily, well, younger people, but not necessarily, I'm not limiting younger people to teenagers. Younger

people, teenagers use speed, young adults use speed as opposed to older people.

Mr. CARPENTIER. I presume the organization is rather extensive as far as drugs is concerned, getting down into the schools, throughout the community?

Mr. JONES. Yes.

Mr. CARPENTIER. Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Starek, do you have any questions?

Mr. STAREK. Yes; thank you, Mr. Chairman.

Mr. Jones, how familiar are you with other manufacturers of speed in the Philadelphia area? In other words, while you were engaged in your manufacturing activity, were you aware of other labs in the area, other financiers, and other people manufacturing methamphetamine?

Mr. JONES. Yes, sir.

Mr. STAREK. To what extent? How well known to each other are illicit lab operators?

Mr. JONES. They are very well known to each other. I really couldn't believe—there is very little secrecy in a business with the risk involved, the penalties involved. I was surprised that there was so much gossip going on.

Mr. STAREK. Why is that the case? I suppose there is not much competition for the market?

Mr. JONES. No; there is competition. I assume the reason that there is so much talking going on, at least in part, is ego.

Mr. STAREK. How were you recruited initially to engage in the manufacture of methamphetamine?

Mr. JONES. I was recruited to supply chemicals, equipment, things like that.

Mr. STAREK. You spoke earlier about threats of violence to yourself. I wondered if you have witnessed any or at least are knowledgeable about any threats of violence by lab operators or those involved in organized crime?

Mr. JONES. Yes.

Mr. STAREK. Could you elaborate a little? Are we talking about homicides? Are we talking about maiming?

Mr. JONES. Well, we are talking about beatings, talking about kidnappings. We are talking about murders, and I have no doubt that we are also talking about homicides, if necessary.

Mr. STAREK. Are you specifically aware of incidents where a homicide has resulted from cases where there have been threats by organized crime or by lab operators?

Mr. JONES. I will just give you a general answer and say yes, but I will not be any more specific than that.

Mr. STAREK. Thank you very much.

Thank you, Mr. Chairman.

Mr. COUGHLIN. Thank you very much.

Yes?

Mr. EVANS. Mr. Jones, I was particularly interested in your observation that increased penalties would not, in your opinion, reduce the supply of methamphetamine or other illicit drugs. You did mention education as being an attempt, I guess, to reduce the demand by better educating the user to the danger that he faced in using those drugs.

From the supply side, what would be your suggestion as something that could be done to reduce the supply if you disagree with increased penalties?

Mr. JONES. Well, I really wish I could help you. Beyond the answer any more than——

Mr. EVANS. Well, in talking to the people that are engaged in this illicit activity, is there ever any mention of anything that would get them out of business or have you observed in the process of this business that people tend to change when certain activities take place like, for instance, Mr. Walker's suggestion about increased law enforcement activity?

Mr. JONES. Well, No. 1, the people at the top insulate themselves, at least they try to, and most of the people involved really don't expect to be caught in the first place.

Mr. EVANS. It's always that I won't be the one that is caught; is that right?

Mr. JONES. True.

Mr. EVANS. Nobody ever believes they will be vulnerable.

Mr. JONES. Well, I don't know about nobody, but I would say most of them really don't expect to be caught. So that the penalty is insignificant.

Mr. EVANS. But would not the threat of increased police activity or strike force or something of that nature threaten an individual with the greater likelihood of being caught?

Mr. JONES. It is possible.

Mr. EVANS. Would not the increased activity or higher penalties make it more difficult for those at the top to get people to do these acts?

Mr. JONES. That also is possible.

Mr. EVANS. What is the probability? Everything is possible, but what is probable, from your experience in dealing with these people?

Mr. JONES. I can only tell you that I have met many, many people who are now serving very long prison sentences who did not consider that before they got involved.

Mr. EVANS. Well, what kind of an effect do you think that will have on the people who know that those people got long prison sentences?

Mr. JONES. There is a good chance that they would have some effect.

Mr. EVANS. Well, then it would have a deterrent effect?

Mr. JONES. If there's a way of getting it across to the public, people who might——

Mr. EVANS. Well, isn't there a grapevine in the so-called underground society that you would know if another lab operator got a long prison sentence for operating a lab?

Mr. JONES. Yes.

Mr. EVANS. So that the word does get back to those people who are actually engaged in the activity, doesn't it?

Mr. JONES. Yes; it does.

Mr. EVANS. You still think that longer prison sentences——

Mr. JONES. Well, you see, there are new people, as the old people get arrested and go away, you have new people coming in.

Mr. EVANS. These people, these new people are not aware of what happened to the older people?

Mr. JONES. Not unless—

Mr. EVANS. Not unless they get caught?

Mr. JONES. That is true.

Mr. EVANS. So there's a constant renewal of people, and then you don't really have any suggestions as to what we can do to reduce the supply, to reduce the attractiveness of this type of operation?

Mr. JONES. Well, I think that the Drug Enforcement Administration is doing everything that it can. I think with the further control of P-2-P, there is a good chance that will have some effect. It can't hurt the situation and it may help; in other words, as far as law enforcement is concerned, it can't do any harm to control it, and it may do some good.

Mr. EVANS. I thank you for your testimony.

Mr. COUGHLIN. You indicated at the beginning of your testimony that you might have a statement to make at the conclusion.

If you do have any statement, please do so at this time.

Mr. JONES. Well, I would like to say now that what most users or potential users of drugs are not aware of are the harmful, the potential harmful effects of whatever drug they are going to use. There are drugs that have been manufactured legitimately by legitimate drug companies that turned out to have very, very serious side effects.

These are drugs that are legitimately manufactured, so the drugs that are illegitimately manufactured, the potential for physical harm, sickness, illness, possible death are much, much greater.

I know of drugs where they have used leaded gasoline instead of the proper chemical they were supposed to use because they couldn't get the proper chemical. They used chemicals with cyanide in them and they didn't filter the cyanide out.

So I wouldn't use any of that stuff. You just don't know what you are getting. I think it's important that we get across to the young people who are the primary users of speed and other similar drugs that it's a bad risk to take.

Aside from the illegality and the potential criminal penalties, the physical penalties aren't worth the pleasure that is derived from the stuff.

Mr. COUGHLIN. We appreciate your appearance here and your testimony.

We will ask that everyone, in the interest of time, because we are running behind, we will bring the next panel on but we will ask everyone to stay in the room for the next 10 minutes.

Mr. EVANS. I have a statement.

Mr. Chairman, I would just like to state that this committee has been trying to get the message that this young man, this witness just gave, and I think if we had the cooperation of the media and the press in taking that testimony, if they reported nothing else, that that is the most important and essential testimony and message that this committee can get across.

I appreciate what you have said. You have been there. You know what you are talking about. I just wish we could get that message across to the young people throughout this country, because I think that is the most significant thing that we have had said in all the

hearings that we have had, and they have numbered in the dozens of hearings.

I appreciate your pointing that out.

Thank you.

Thank you, Mr. Chairman.

Mr. COUGHLIN. Thank you very much.

Our next panel will be a discussion of involvement by motorcycle gangs.

We have Trooper George Ellis, Pennsylvania State Police; Sergeant Michael Carroll, Chester County Detective Division; and Special Agent Gil Amoroso, Drug Enforcement Administration.

We welcome all of you. According to the policy of the committee, if you would raise your right hands and be sworn.

[The witnesses were sworn.]

Mr. COUGHLIN. We are happy to have you proceed as you deem best.

Mr. Amoroso, Sergeant Carroll, Mr. Ellis, if you will proceed the committee will then ask questions.

TESTIMONY OF TROOPER GEORGE ELLIS, PENNSYLVANIA STATE POLICE; SGT. MICHAEL CARROLL, CHESTER COUNTY DETECTIVE DIVISION; SPECIAL AGENT GIL AMOROSO, DRUG ENFORCEMENT ADMINISTRATION

Mr. AMOROSO. Thank you for the opportunity to talk to you today.

We are going to leave this strictly question and answer.

Any questions you might have relative to outlaw motorcycle gangs or activities we will try to answer to the best of our ability.

Mr. COUGHLIN. I will yield to Congressman Walker who has been most interested in this particular aspect of these hearings.

Mr. WALKER. Thank you, Mr. Chairman, very much.

We heard considerable testimony from the witnesses today with regard to the involvement of the outlaw motorcycle gangs.

Can you give us some indication as to what percentage of the drugs you think the outlaw motorcycle gangs are involved with, with regard to methamphetamine?

Mr. AMOROSO. With regard to methamphetamine in particular, I would say a good 50 percent of the meth traffic, and I speak specifically in this area, in the tri-State area, I would say in one form or another is controlled by the outlaw motorcycle gangs.

Mr. WALKER. Do you have any idea what portion of the production may be related to outlaw motorcycle gangs?

Mr. AMOROSO. In this particular area, very little of the actual production can be attributed to the outlaw gangs themselves. We can trace specific instances where we know they were involved in the production; however, we can't pinpoint it, because we have to catch up with the lab.

Mr. WALKER. Is that somewhat a reflection of the success of operation Baron that was run against the Pagans some months ago when there was an attempt to shut down their operation? Is the fact they are not involved in production today in part attributable to the success of that operation?

Mr. AMOROSO. That is partially the reason. The other reason is that they are very covert in their activities. The result of operation

Baron was, however, at the same time it has led them to know we are actively pursuing them. They have gone further underground in their production.

Mr. WALKER. According to your current information, are the outlaw gangs expanding their methamphetamine operations and going into narcotics in general or is the situation leveling off?

Mr. AMOROSO. The situation is not leveling off. There has been an upsurge in the activity of the motorcycle gangs in this area. We have seen an insurgence of it in Chester County and Lancaster County. We have traced them down to Atlantic City and various places in the State of Delaware.

It is definitely on the upswing.

Mr. WALKER. From the information you have, would you view this as something which is just this area, or do you have reason to believe that the kind of situation you are seeing of increased involvement of motorcycle gangs in narcotics traffic is a national situation?

Mr. CARROLL. Our information indicates that it's a national situation, that it is connected by the different clubs in different areas. We have smaller clubs in local areas, the larger clubs in regional areas, and you have national and international clubs. That is people are connected as allies and the operations they put together between themselves are very extensive.

Mr. WALKER. Do you have reason to believe there are kind of interlocking directorates between the clubs that—maybe one of you could explain for the record the concept of the mother club and how that works to bring about kind of an interlocking directorate.

Mr. ELLIS. The mother club is the ruling body, in this particular case, the Pagans Motorcycle Club. Each individual is responsible for a specific area which could be a total State or it could be broken down into less than a State. They are the ones that make the rules and are the ones that do most of the controlling of the methamphetamine and PCP trafficking.

They are also the ones that are principally responsible for any connections with other mother club members of other clubs; for example, a recent arrest of a mother club Pagan in New Jersey revealed that he had information on him which directly related and connected him with a ruling member of the Outlaws Motorcycle Club from Florida.

Mr. WALKER. So when we are talking about the mother club operation, we see them controlling a whole series of local clubs and regional clubs, but also at the national level the operation of a directorate made up in some instances of, say, the Hell's Angels, the Pagans, the Outlaws, and so on. There is some indication that those clubs are all getting together at a level over and above the mother club of the chief gangs?

Mr. ELLIS. That might be difficult to substantiate; however, they do work in connection with one another and do cooperate with one another. To say that there is a panel, so to speak, over all the clubs I think would be a mistake.

Mr. WALKER. Well, I wasn't suggesting that there is a kind of panel that controls all, but just the fact that they tend to meet, that members of the mother clubs, there is a pattern of them meeting in order maybe to carve up territory, to do various things

without saying that that panel controls the activities of each of the individual clubs?

Mr. ELLIS. That would be fair to say, yes.

Mr. WALKER. I have been informed by an intelligence officer within the California State Department of Justice that the Hell's Angels may control up to 80 percent of the methamphetamine market in northern California.

Is it possible for an outlaw motorcycle gang to gain this degree of control of the drug market and is it possible that other localities throughout the country have similar situations?

Mr. AMOROSO. I would have to say the Hell's Angels are probably the most well-organized group of violent people in the United States. As a result, in the areas that they have been able to move into, as some of your other more prominent motorcycle clubs, they have come into an area of public ignorance or lack of awareness of what these people are doing.

They have been able to move in on the drug traffic. They are a very closely knit organization. It's very difficult to penetrate them. They do not talk about themselves or about others. Their use of fear tactics, their use of blackmail, physical abuse, it's very possible in areas they could move into and take over the entire drug traffic within that particular area.

Mr. WALKER. I have had people, law enforcement officials essentially, describe the heads of a number of these outlaw motorcycle clubs to me as psychopaths. Is there any justification for that kind of a description?

Mr. AMOROSO. I would say that is a fair assumption of some of the heads. They tend to lean towards your Nazi-type doctrines. They seem to follow the Nazi regime quite closely and try to model their scale of operations as a Nazi run organization.

Mr. WALKER. Would you elaborate a little bit on the business of the use of information and intimidation as a weapon by those clubs? There is some indication that may well have been a part of the problem in the mistrial that was declared in the Hell's Angels case in California.

It seems to be a consistent pattern with clubs. Could you describe a little bit the kinds of things that are used in order to foster this tightly knit organization?

Mr. AMOROSO. The outlaw motorcycle gangs that we have had experience with and that we have talked to other law enforcement personnel about have little or no regard for law enforcement. They live completely outside the law. They are not afraid of what law enforcement authorities can do to them.

As a result, if they learn of a witness through their intelligence channels or through some outside source, they have no problem whatsoever going after that witness, locating that witness, physically abusing and in some instances they have killed witnesses.

Mr. WALKER. There is even an occasion that it may well be an outlaw motorcycle gang involved in the murder of a Federal judge in Texas.

Mr. AMOROSO. That is right; the Banditos.

Mr. WALKER. From the work you did with the Federal strike force against the Pagans, would you have any recommendations as

to how to go about a successful operation against that motorcycle gang?

Mr. AMOROSO. I will initially address that and let Trooper Ellis, who worked with me on that strike force, give you a few suggestions.

The Federal Government becoming involved in that type of investigative force lends a lot more jurisdictional power than your localized police departments have. One thing motorcycle gangs have that most police officers don't have, they have no boundaries. It's nothing for them to get on a motorcycle, a car, a van, and drive to Florida at the spur of a moment, whereas your local officials can't go outside their jurisdictional boundaries.

With the Federal involvement, your boundaries are eliminated. It also allows a little bit of extra funding which your local departments and State departments usually don't have.

George?

Mr. ELLIS. The task force that was formed back in the spring of 1976 effectively broke the overt operations of the Pagans and Warlocks motorcycle clubs. By that I mean they no longer ride around in their colors as openly as they did; there is not so much of the hell-raising in the bars, the rapes, the robberies, the kidnappings, the murders have tailed off since 1976.

However, the covert operations that they are involved in, the narcotics trafficking, the gun running, the prostitution, the go-go dancing, et cetera, has not been dealt with as effectively as we would like. The reason for that is, as Gil has explained, jurisdictional problems.

The task force that we have now has been rather fortunate in that we have been able to single out certain members of the departments throughout the east coast that, whether they be on a full-time or part-time basis, have been able to assist us in the investigations.

However, that is sporadic at best; so in the covert type operation, a task force such as Gil Amoroso suggests would probably be able to deal better with that mobility problem than we can effectively deal.

Mr. WALKER. One final question. An area that has come up as law enforcement tries to do something about the outlaw motorcycle gangs: Is there any reason for legitimate motorcyclists to fear law enforcement activity aimed at outlaw gangs?

Mr. AMOROSO. None whatsoever. I feel that education of law enforcement officials will alleviate problems that legitimate bikers would have. Bikers will flaunt their colors. A little bit of education to the local authorities, to the Federal authorities, and you can spot those colors. Your legitimate clubs have their colors also, but they are not considered outlaw bikers.

Our specific aim is outlaw bikers. As to legitimate bikers, I know quite a few myself, I know quite a few clubs, as do those members of the panel that are with me. They have absolutely no fear of law enforcement harassment just because they are a bike club.

Mr. WALKER. Let me address that same question to the State and to the local. The reports that we keep getting back are the fact that any kind of activity, and so on, what is happening is it's increasing the harassment by police of people who are just out riding their

bikes for fun and who have absolutely no connection with the Pagans or with the Warlocks or the Sons of Satan or any of those kinds of groups.

Yet they suffer harassment when they go on their runs and so on. Is it a kind of paranoia with them, or is it a case where because we don't have any particular action against outlaw motorcycle gangs everybody suffers?

Mr. ELLIS. I think that is paranoia on their part, unless they are violating the motorvehicle code, they are probably not being stopped.

The outlaw motorcycle clubs are very easy to identify in that they ride around on their big Harley-Davidson motorcycles, all chopped up, and so forth; they at times ride in gangs and are very frequently violating the motorvehicle code, not only with registration and with inspection, but also helmets, things of that nature.

To say that everybody suffers I think is a misnomer, and I think the troopers on the road are significantly schooled in identifying the normal, every day joy-rider as compared to the outlaw biker.

Mr. WALKER. Sergeant Carroll?

Mr. CARROLL. I think one of the problems with the local police department is because of their relatively small size. It's an educational situation where an officer can look at a motorcycle and a rider and at least have a reason to believe there should be a reason to stop them rather than stopping them overall. It's just a question of education, as Gil said earlier, the colors. Take a set of colors; you can sit down. It's like reading a book about a person if you know what the symbols mean.

If the word goes out to the officers about what the problems are, who is causing the problems, I think if there is any contention of harassment, it would be stopped.

Mr. WALKER. Would there be a cause for stopping somebody just because he is wearing the colors of the club?

Mr. CARROLL. Yes; I think there is good reason.

Mr. WALKER. If somebody is obeying the law, doing absolutely nothing to disturb the community whatsoever, just riding by, wearing the Pagans' colors, is that a reason to stop him?

Mr. CARROLL. I guess it depends on who you spoke to. I think it is.

Mr. WALKER. Is that part of the problem. Is that the reason motorcycle clubs begin to fear the law, that the action is more related to the colors or to the type of bike they ride and so on than it is to actual criminal acts?

Mr. CARROLL. I think one of the tools we have to use against the outlaw motorcycle gang, one we may not use enough, is simply intelligence, finding out who is in what area, finding out what they are doing there, stopping a motorcyclist in West Chester, Pa., who is a member of the Pagans or flying their colors and finding he has a Florida driver's license from Daytona Beach, and it would give you a reason to wonder what he is doing there.

I think that is part of the enforcement effort. I don't think that is harassment.

Mr. ELLIS. I would add we are having a resurgence in the Marcus Hook, Del. area. They have been fully educated down there and they are handling the situation very well. When those individuals

come into town, there is always a reason for them to be stopped. There is always a reason under the motor vehicle code to stop the outlaw bikers. They have taken that reason to stop the individuals and not only have they obtained traffic violations on the individuals, but it has escalated in approximately 90 percent of the time to criminal violations as well.

Mr. AMOROSO. I think another thing you have to keep in mind is that both intelligence-wise and enforcement-wise although we might know the nicknames of many of those bikers, to associate a true name and get a true criminal history on them, the one way of doing that is to stop the individual.

Ninety percent of the time the tags are not going to match the driver's license. However, the driver's license they have on them might be a good indication as to who they legally are. You can always get the nickname off the colors and associate the two.

Mr. WALKER. I understand the technology. I guess my one problem with this, having dealt with it in only a peripheral fashion, I certainly don't consider myself an expert, but in dealing with it in a peripheral fashion, I think some of the problem you are having in getting legitimate motorcycle clubs and legitimate people to isolate those people and make a far better target out of them, if you get them isolated from people who now consider themselves almost semi-blood brothers is the fact that they regard those techniques as harassment.

Whether you do or not, they regard them as harassment, if you are just pulling somebody over because he is wearing a certain kind of dress.

I drive a Corvette for fun, which is also suspect as being probably something that a lot of people drive too fast. If the law enforcement officials started to pull off all Corvettes just because they are capable of doing 150 miles an hour, there would be a lot of people upset about that, including me.

What I am saying is that there is some cause for concern among motorcyclists for that kind of technique, beyond whether there is some way around that. I understand the law enforcement needs, too. I think part of our problem in getting a concerted effort stems from that very kind of situation.

Mr. AMOROSO. This could well be. My feeling would be that any of the legitimate bikers would have no cause for concern for harassment because the people we are talking about that openly fly their colors, Pagans, Warlocks, Outlaws, Hell's Angels, those people, yes, you might consider that harassment to stop them for no reason, but someone flying the Blue Knights or some of the other legitimate clubs in the area would have no reason to fear, because they wouldn't be stopped unless they were actually violating the law.

Mr. WALKER. Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

I would like to pursue this same line of questioning just a little further and ask what the basis is for the law officer to stop the person flying the colors of one of these four groups?

Mr. AMOROSO. I think I will have to let someone familiar with the traffic laws give you a better explanation of that.

George?

Mr. ELLIS. As Mike Carroll said, you can talk to one person and get a story and talk to another person and get a different story. I am not so sure that just flying the colors is probable cause to stop the vehicle—in this particular case the motorcycle. However, due to the problems that we do have, I am sure that enters into it. I would say perhaps in 70 percent of the cases where you have a motorcycle stopped, you are going to have some type of violation on that vehicle.

Recently, within the last year and a half, we have been involved with an investigation covering the stolen motorcycle operation that the Pagans in particular, have been involved with. We have recovered in excess of a \$120,000 worth of bikes and bike parts right out of Delaware County.

It is estimated by informants within the Pagans motorcycle club that upward to 70 percent of Pagan bikes are stolen, rebuilt, re-numbered motorcycles. In that instance alone I think perhaps there is probable cause to stop the vehicle.

Mr. EVANS. I think what I am trying to find out is do you have sufficient evidence to indicate that anybody who is a member of this gang is a part of a conspiracy to break the law in some way? Any suspicion? I assume that you eventually go to court with some of the cases that you make as a result of the stopping of this particular individual, if you find drugs on the motorcycle, stolen goods, find that the motorcycle has been stolen, or something like that.

How do you get around the original evidentiary rules which would prohibit the introduction into evidence of anything you got as a result of an illegal stopping of the vehicle?

Mr. ELLIS. Well, you don't. You have to have a right to stop in order to obtain the proper conviction.

Mr. EVANS. What do you do? Say you stop it for a traffic violation?

Mr. ELLIS. That is a righteous stop. If you stop it for a traffic violation and it leads into a criminal violation.

Mr. EVANS. Certainly, I know that is. You say you stop everyone who is wearing those colors?

Mr. CARROLL. The worst you are going to do is find a stolen motorcycle or find drugs, and I think you are going further than you said. We are not searching people. We are stopping them to identify them. The worst you do is have a stolen motorcycle or the drugs off the street. If you can't prosecute the person, you can't prosecute them.

Mr. ELLIS. I would say out of the number of stops where you have a righteous stop, if that is the terminology you wish to use, as compared to a stop just because they are flying colors, you are going to find they are rather small. You are going to find when they are out riding their motorcycles, you are going to be able to find reason to legitimately stop that vehicle.

Mr. EVANS. Well, I think I will be satisfied as long as you don't extend that principle. I think you probably have good cause to suspect most of the people who are part of these outlaw gangs as being engaged in some illegal activity.

I thank you.

Thank you, Mr. Chairman.

Mr. COUGHLIN. What is it about methamphetamine distribution that makes the drugs so ideal for motorcycle gangs?

Mr. AMOROSO. The methamphetamine itself is a very popular drug, especially in this area. It is a popular among mostly all of your outlaw clubs. It is very concealable. There is a high profit margin in it where they can control it from the lab clear on down through the distribution networks. They have their own chapters throughout the country, their own clubs that they can ship it back and forth to.

Once again, they have no boundaries, it is not like a regionalized gang of methamphetamine traffickers. These people go across the country.

Also, they have found that because it is so inexpensive to produce, they can use it to exchange for some of your other drugs such as cocaine or in instances, marihuana.

Mr. COUGHLIN. Where do they get the financing to carry on these large narcotic types of transactions?

Mr. AMOROSO. Here again, it goes back to their gang structure where they use prostitution. They have involvements in massage parlors. They have go-go girls they put on the street. They have extortion businesses. In many cases, it is armed robbery, as George mentioned, stolen motorcycles. It all comes from illicit forms of, shall we say, income?

Mr. COUGHLIN. Other than the proposal by Congressman Walker to have a kind of strike force targeted strictly at motorcycle gangs, are there any other law enforcement tools or changes in the law that you would recommend to help combat the problem of motorcycle gangs?

Mr. AMOROSO. I think one of the problems we are seeing right now—by us, I mean this panel—is that 3 or 4 years ago we put on a concentrated effort in this area and on outlaw motorcycle gangs. As a result, were very successful in a tri-State area of arresting numerous upper echelon leaders of these clubs. They were prosecuted mainly on conspiracy to distribute charges, these methamphetamine and phencyclidine.

Recently within the last 6 months, the reason for the upsurge is that these people are out on the street again. They still have the same organizations they had when they went to jail a year, 2 years, at the most 3 years ago. They come back out of prison. In many cases, they ran the operation from behind prison walls. They walk right back into a top notch distribution network, still getting their money.

One of my suggestions is maybe a little stiffer sentences. Once again, we go back to the education of the public. I think in many cases the public feels it is a bunch of beer drinking rowdies instead of the highly sophisticated network that they are.

George?

Mr. ELLIS. I think as far as the finances go, we have individuals within the Pagans who have a source of private wealth. Some come from well-to-do families. In addition to that, probably the most—the best thing we could probably get clear here today is that we are not dealing with a group of individuals who have low IQ's, al-

though they do have them. You have individuals today who are actually businessmen, quote, unquote.

They are in the business of dealing with large methamphetamine and PCP distribution networks; and I think you are going to find an upsurge in the setting up of laboratories on their own. We have recently been involved with the Chester County Detectives Office and the State police narcotics unit out of Reading, which indicates that a laboratory was situated in the Chester-Lancaster County area, so you are going to see that these individuals are not going to be dealing and maintaining that umbilical cord to traditional organized crime. You are going to find they are going to branch off on their own. I think that is going to be the case in the future.

Mr. COUGHLIN. Well, we certainly appreciate your testimony here today.

Unless the staff has further questions, I think we will proceed with the fire panel. Thank you very much.

Mr. AMOROSO. Thank you.

FIRE HAZARDS PANEL: HARRY WALSH, CHIEF, FIRE PREVENTION DIVISION, PHILADELPHIA FIRE DEPARTMENT; PATRICK J. MCGINLEY, FIRE MARSHAL, PHILADELPHIA FIRE DEPARTMENT; RUDY NERLINGER, DEPUTY CHIEF, MONTGOMERY COUNTY; AND RICHARD SHAPIRO, CHIEF, BUCKS COUNTY

Mr. COUGHLIN. The next panel is the fire hazards panel. We have Fire Marshal Patrick J. McGinley, who I understand has come from a two alarm blaze at which two firemen were injured. We appreciate his presence very much.

We have Deputy Chief Rudy Nerlinger of Montgomery County and Chief Richard Shapiro of Bucks County.

[Witnesses sworn.]

Mr. COUGHLIN. If you have statements, we would be pleased to hear them. Otherwise, the committee will proceed with the questioning.

Mr. WALSH. I have a brief statement. I am concerned in this area for a twofold purpose. No. 1, I have six children, five of them teenagers. They are in the area, in the age area where narcotics becomes the concern of not only mine but my wife also.

Also, being in charge of the fire prevention division for the city of Philadelphia, while we haven't encountered any experiences with these various types of laboratories, we still feel that it can be a problem if it does come into this area with the flammable materials that are used in the manufacture or cutting of these drugs.

We would like to be involved with this panel, not only from a law enforcement point, but for the knowledge that can come out of this to assist us in educating the public from the fire and safety standpoint of the materials.

I am sure that all you gentlemen are aware that even though it hasn't been proven, there is quite a considerable bit of talk about Richard Pryor and what caused the fire that occurred, that caused serious burns to him. There is conflicting testimony at the present time, but initially one of the statements was that he was using some type of ether based chemical. We received numerous calls from people throughout the city of Philadelphia as to what type of material was being used and also, especially in some apartment

type situations, how can these people themselves know if there is this type of operation going on in this building.

Is there a certain type of smell? Do they see a certain type of traffic or certain types of individuals entering these buildings?

Thank you.

Mr. COUGHLIN. Mr. Evans?

Do any of the rest of you have statements? Perhaps each of you could give a very brief statement as to your position and background. I know Mr. McGinley is the fire marshal for the city of Philadelphia.

Mr. MCGINLEY. That is right.

Mr. COUGHLIN. You have been in the fire prevention business for how long?

Mr. MCGINLEY. I have been a member of the fire service for 16 years. I am a deputy chief in the Philadelphia Fire Department and am currently serving as the fire marshal for the city. As the fire marshal, my function is to conduct the investigative activities of the fire service. We investigate all fires that occur within the city in which buildings are damaged or people are injured or killed, be they civilians or firefighters.

Our interest in this particular project is one of fire prevention. Our investigative capability is open to all of the law enforcement agencies and we would be only too glad to help in whatever way we can.

As Harry mentioned, our experience is limited. I can only recall one serious fire that I attended that was supposedly a laboratory, an illegal drug producing laboratory. Whether or not it was methamphetamine, I couldn't tell you, but in speaking with the other gentlemen here, in doing some reading since I was approached about this, I am not so sure that we didn't miss a lot of fires that were methamphetamine laboratories. We just didn't know it. They could be occurring every day with people getting hurt and we were unaware of it. Due to our lack of knowledge and perhaps a lack of proper information flow between the agencies involved.

This hearing, I am sure, is a major step in the right direction to improve that condition in the Philadelphia area. I very much appreciate it.

Mr. COUGHLIN. Mr. Nerlinger, I know you have had some experience with this.

Mr. NERLINGER. I am a chief officer in the Harmonville Fire Company No. 1 serving Plymouth Township, which is an area of approximately 10 square miles in Montgomery County. I have 21 years in the fire service and about 12 years as a fire line officer and I did have some direct experiences with a manufacturing operation during a fire.

Mr. COUGHLIN. Can you describe that?

Mr. NERLINGER. We were called to respond to a building on fire which was a restaurant club type of premises. There was heavy fire coming from the back windows on the second floor. When this was knocked down, we noticed there was some strange looking glassware in plain sight inside the kitchen and also the room contained large quantities of very volatile chemicals which had something to do with the fire and could have had a very nasty outcome.

Mr. COUGHLIN. Thank you.

Mr. Shapiro.

Mr. SHAPIRO. I have been with the fire service about 10 years now. I am the chief of the Eddington Fire Service which is one of six companies serving a community of about 65,000 people. I have been chief there since 1976.

My regular vocation, I am a special agent with the drug enforcement administration. I entered this problem kind of wearing two hats. I have also had direct experiences through both my vocation and through the fire department on labs and lab accidents, shall we say.

Mr. COUGHLIN. Mr. Evans, do you have any questions?

Mr. EVANS. Thank you, Mr. Chairman.

Mr. Shapiro, in your dual role as both a DEA agent and having experience with the firefighting protection, does the DEA have any kind of training program available to the various fire departments to assist them in determining the cause of fires by virtue of investigative—investigation into certain chemicals, smells, so forth?

Mr. SHAPIRO. I don't believe the DEA—which was then referred to as BNDD, the bureau of narcotics and dangerous drugs back in the seventies—had articles published in fire service periodicals such as Fire Engineering and Fire Command. The article did set out certain details of clandestine lab related fire incidents. Other than that, I am not aware of any formal program that has been presented.

The Philadelphia District Office has run several programs at the request of several volunteer organizations, surrounding the city of Philadelphia, which were interested in this particular problem.

Mr. EVANS. Chief Walsh, was it you or Mr. McGinley that mentioned that in looking back, you feel that you may possibly have missed some illegal lab related fires? Do you have an investigative unit that determines the cause of fires?

Mr. MCGINLEY. Yes, we do, sir.

Mr. EVANS. Are you aware whether or not these investigators have any access to special training or investigative skills having to do with the operation of illicit labs?

Mr. MCGINLEY. We became aware, through a conversation concerning this panel, that Mr. Shapiro has considerable background in the area and experience and a slide program, for that matter. In fact, last Thursday I believe it was, Mr. Shapiro came to my office and gave a brief training session to all of my investigators on just this subject.

Mr. EVANS. Was this available to you?

Mr. MCGINLEY. I don't know. I was unaware of its availability, if it was available. With regard to determining the cause of fire and maybe missing an illicit laboratory, these things can be encountered in a garage, in a grocery store, in a candy store, in somebody's bedroom, in an apartment house, in a private dwelling. It is difficult without special training, to differentiate between a child's chemistry set, say, and an illegal methamphetamine laboratory, depending upon the amount of overhauling and material and what is done by the firefighters.

Mr. EVANS. At the present time you have no special training as part of your investigative training program which would deal with the illegal labs, is that right?

Mr. MCGINLEY. We have no training specifically geared toward the illegal laboratories. Our training does encompass most of the materials included in the labs or expected to be encountered in the labs, but not in the quantities or at the locations they are found.

Mr. EVANS. What kind of advice could you give someone who wanted to determine whether or not their apartment houses or so forth were being used for illegal purposes?

Mr. MCGINLEY. That is exactly what we are looking for, just what advice should be given.

Mr. EVANS. Who do you think should be the agency that provides that information for you? Do you think the DEA should have that information available?

Mr. MCGINLEY. Yes sir, I do.

Mr. EVANS. Various fire departments in our major cities?

Mr. MCGINLEY. Yes, I certainly do.

Mr. WALSH. I believe that would be good. In large cities, especially in Philadelphia, we are structured in such a way that the fire marshal's office is divided into 10 geographic areas in the city of Philadelphia. We have approximately 100 fire companies. The fire companies themselves are the ones that initially arrive on the fire scene to make the determination of the cause of the fire. If, in their opinion they cannot determine the cause, they will then send for the fire marshal, which might be a half hour to an hour later that he arrives, depending upon what his involvement at the time is.

When we go into the night work from 4 p.m. to 8 a.m. the next morning, we only have one fire marshal on duty to cover the entire city. This is naturally due to budgetary limitations.

Mr. EVANS. Do you have an arson squad with your local police? Or does the fire department furnish the arson squad?

Mr. WALSH. No. We have detectives assigned strictly to the fire department, which I will leave to the fire marshal to talk about.

What I was thinking of, with the training program itself, I think the men in the field are the ones that should have the training program. This can probably be furnished through our fire college, because the field forces will be the ones that initially arrive on the scene and make the determination as to what type of situation they are encountering.

I know there has been numerous times that we have encountered—myself from personal knowledge in the field—illegal stills. Just by knowing a little bit about what it looks like, what it involves, we were able to stop the firefighting operation at this point and notify the proper authorities, then go in and extinguish the fire, remove all the burned debris. On some fires we had destroyed everything that was there. That is why I say the training program has to get down to the firefighter at the back step level.

The fire marshal, yes, should have these types of programs but it should be extended further, to the people who will be first on the scene to make the initial determination.

Mr. EVANS. Do you have anything to add to that, Mr. McGinley?

Mr. MCGINLEY. I will add to the arson squad question you raised, sir. We have four detectives assigned to the fire marshal's office. They are Philadelphia Police Department personnel. They work

strictly through the fire marshal's office with the fire marshal's personnel in order to investigate incendiary fires.

Mr. EVANS. Do you know whether or not they have special training in the lab fires?

Mr. MCGINLEY. To my knowledge, they do not, sir.

Mr. EVANS. With the amount of activity that apparently exists in this area, that should be a part of the training, should it not?

Mr. MCGINLEY. Yes, it should.

Mr. WALSH. We weren't knowledgeable that this training was available before. Now that we are, we will start to incorporate it in our programs.

Mr. EVANS. So that actually at this point you only know of one incident, I believe, Mr. Nerlinger, one incident alone that was involved with a lab? Is that all?

Mr. NERLINGER. In my particular jurisdiction, yes sir.

Mr. EVANS. I believe, Chief Walsh, you said you don't know of any?

Mr. WALSH. I don't know of any that I could actually tie specifically to that. There might have been some, but I don't know.

Mr. EVANS. So we don't know whether we have a problem or not, do we?

Mr. MCGINLEY. The problem is there, sir. The materials that are used in the operation of illegal laboratories are extremely hazardous materials when exposed to fire conditions. Citizens of our city are being exposed to these hazards unknowingly. If you take an apartment next door to Rohm & Haas, you expect to have a laboratory next door. If you take an apartment at Wooden Bridge Run, you expect to have an apartment next door, not a laboratory.

The firefighters are subjected to additional hazards. When you respond to an apartment house fire you expect to find an apartment. When you walk in and find 10 gallons of ether and the front door comes out to meet you on your way in, it can be a rude awakening.

The interest is in the public safety. Education, I am sure, is a big help. It will help my personnel as well as the police personnel. The public knowledge is what is really required.

We have to get help in this area. Most of the labs are being run in areas where we have no jurisdiction. We can't go in somebody's home to conduct an inspection or into their apartment. These labs are not being established in manufacturing complexes where we inspect every day or where our personnel have the legal right to go and inspect. They are being established in areas where we don't have this right. Consequently, we don't find out about the labs many times, until after the fact. Hopefully this committee will short circuit that.

Mr. EVANS. Mr. Shapiro.

Mr. SHAPIRO. There are situations that most likely—I have to say undoubtedly—arise where the fire department goes in and because of this lack of training and lack of experience with this type of problem, they overlook the obvious or what to me might be obvious, or someone in the field might be obvious.

I had an incident in my particular fire district where I went in as an assistant chief rather than as a drug enforcement agent. It was a Quaalude laboratory where they were manufacturing a prod-

uct similar to what possibly may have happened to Mr. Pryor. They had set the third floor kitchen of an apartment on fire and did very extensive damage. They were very lax in calling the fire department since the entire apartment was filled with gelatin capsules, equipment, tins of Quaalude, and so forth.

As we were just going through the smoke, we could not see, we were intent on knocking the job down, I was conscious of this thing on the living room floor that did not belong there. As the smoke began to lift, I realized they were gelatin capsules. There were 10,000 gelatin capsules on the floor of the apartment.

The smoke began to lift more. I began to get more interested. I felt like changing hats at that particular point in time. The result was a seizure of Quaalude laboratory which netted us 10 pounds of pure Quaalude and considerably more was destroyed in the fighting of the fire.

We had a concern that these gentlemen would not understand or not having experienced it, realize that this lab had the look of an LSD lab. Had that substance been LSD, as opposed to Quaalude, which is a more stable product, there was a good chance that 25 or 30 of the firemen who paraded through that apartment, plus the police officers, plus the civilians who might have come in contact, might have been seriously affected by the drug.

Quaalude is a relatively innocuous thing. It was all over my coat and gloves. LSD only needs a small microdot ingested into the body and you have a serious problem, medical problem that could continue for years. Had that been an LSD lab, there would have been 30 people in jeopardy for their health.

This type of situation exists. I think many times perhaps in some cases, gelatin capsules were obvious. Had they not been there, a fire department operation might have overlooked what was going on in that location.

These are the types of things I feel are happening.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Thank you very much.

Mr. McGinley, you normally have fire inspectors that inspect public buildings in many cases as well as on a routine basis?

Mr. MCGINLEY. Yes sir, we do.

Mr. COUGHLIN. So with some education as to the kind of thing to look for, they can be a potential source of information if they came across something that appeared to be an illegal laboratory?

Mr. MCGINLEY. Yes sir, they could.

Mr. COUGHLIN. Do you feel this is a worthwhile effort to educate your inspectors as to what to keep their eyes peeled for?

Mr. MCGINLEY. Absolutely, sir. And to educate the public if we can, to give us the leads. We have stipulations in the code. There is sort of a catchall for inspecting an immediate fire hazard that creates a danger to life or property or whatever. If we had complaint calls that somebody smelled ether in somebody's apartment, we could go inspect it, because this is a fire hazard. But we have to get the information. It has got to flow from the scene to the authorities. This is where our breakdown is occurring more than anywhere else.

Mr. COUGHLIN. You also, I guess, have a fire prevention program in which you go to the public encouraging them to prevent fires,

and this could be an element of that kind of a program educating the public to be aware of the danger potential in this kind of laboratory, through either smells of ether where ether shouldn't be or air conditioners operating in the middle of the winter and things such as that.

Would that be the kind of effort that you could assist with in terms of informing the public?

Mr. MCGINLEY. Yes, it is, we could do that. We would be happy to do so.

Mr. WALSH. We have the opportunity to reach every structure in Philadelphia, other than a one and two family dwelling. We inspect everything. Our field forces do it each year. Even if it would be a matter of a newsletter or a handout, whatever, we have the ability of reaching the majority of citizens in Philadelphia.

Mr. COUGHLIN. Mr. Walker.

Mr. WALKER. Thank you, Mr. Chairman.

I suppose there would be great difficulties in the implementation of it. Mr. Shapiro, I sat here wondering whether or not there was some way in which the DEA couldn't coordinate with the fire departments to tell them that they know of a lab that is operating in their area without giving up its intelligence information? Has anything of that type ever been looked at?

Mr. SHAPIRO. Drug Enforcement Administration policy in regards to clandestine labs consists of notifying the fire department prior to going into the laboratory, whether it be in the city of Philadelphia or a rural department in some countryside village. However, the people that need the knowledge to make that timely notification worthwhile are the people that are going to be there first.

There is an intelligence problem with disseminating that type of information on so wide a scale, especially when you get into the volunteer districts where they have perhaps 40, 50 men involved in a company, any one of which could be the first one at the door. To make that type of intelligence information effective for them it would have to be widely disseminated, which could seriously compromise the investigation.

We do have a policy to take the fire department with us whenever we do go into a lab situation, as we also take a chemist. Once the building is secured, that chemist runs the operation from that point on, since there are many serious problems that can occur when you interfere with something that might be in production.

Other than that, I couldn't offer a suggestion involving early notification.

Mr. WALKER. Thank you, Mr. Chairman.

Mr. COUGHLIN. Are there other steps that you feel should be taken in terms of either legislation or other steps to get at the particular fire hazard in an illegal situation?

Mr. SHAPIRO. Other than the education of the fire service?

Mr. COUGHLIN. Right.

Mr. SHAPIRO. I think that is essential. I think that should be expanded beyond the city of Philadelphia to other departments who could have the same chance of coming in contact with clandestine laboratories. From a law enforcement point of view, I firmly believe in stricter penalties.

Mr. COUGHLIN. Mr. Carpentier.

Mr. CARPENTIER. No questions, Mr. Chairman.

Mr. COUGHLIN. Mr. Starek?

Mr. STAREK. I have just one question. I am curious, Mr. Shapiro, about your dual role. Have you ever had any difficulty being both a fireman and Federal law enforcement officer?

Mr. SHAPIRO. In that particular laboratory investigation, I went in as an assistant and switched hats in midstream. That did come up in Federal Court. In fact, parts of the DEA agent's manual that dealt with outside employment were subpoenaed and reviewed by the Federal Court system. The end result was that it was felt that I was acting within my legal rights as both a chief and as a DEA agent and that I had a legal right to be in that building when I was there, and what I could see was in plain view and we performed our enforcement investigation following the proper procedures.

The two individuals involved were convicted and the conviction was upheld.

Mr. STAREK. Thank you.

Mr. COUGHLIN. We thank you all very, very much for appearing here. The more information we can disseminate to the press and the public about the characteristics of laboratories in terms of smell, in terms of air conditioners running, in terms of unusual glassware, I think the better chance we have of both detecting labs and also providing safety for those in the fire service who may be called upon to put out a fire.

Thank you very much indeed.

We will recess the hearings until 2 o'clock for lunch.

Thank you.

[Whereupon, at 12:56 p.m., the hearings were recessed, to reconvene at 2 p.m. the afternoon of the same day.]

Mr. COUGHLIN. If the hearing will come to order, we had a very interesting morning session for those of you who were not here. We have appreciated the testimony of the witnesses that have appeared before our committee, which is the only committee in the Congress that really looks at the problems of narcotics and drug abuse from a very broad-scale perspective. It is a committee that, as the problems of narcotics and drug abuse change, has been particularly interested in the development of methamphetamine laboratories concentrated in the Delaware Valley, Pennsylvania area. This is a relatively new development in the field of drugs. Historically, drugs came to this country largely by importation, some by diversion from licit sources. The methamphetamine laboratory is a new development in this field. It is one of the reasons the committee came to Philadelphia to have these hearings.

We are very pleased to have with us a panel of district attorneys. First of all, David Abrahamsen, assistant district attorney of the Narcotics Division of Pennsylvania County; Frank Hazel, district attorney, Delaware County; Joseph Smyth, district attorney, Montgomery County; and Alan M. Rubenstein, chief deputy district attorney of Bucks County.

Mr. COUGHLIN. We do want to welcome you and thank you very, very much for your appearance here. It is certainly valuable to us to have the benefit of your experience and your knowledge in this area. If you have any prepared statements, we would be pleased to

hear those. Before we do that, it is the policy of the committee to take sworn testimony. If you would raise your right hands.

[Witnesses sworn.]

Mr. COUGHLIN. Thank you very much. Perhaps we can proceed with Mr. Abrahamsen and from there—

TESTIMONY OF DAVID ABRAHAMSEN, ASSISTANT DISTRICT ATTORNEY, NARCOTICS DIVISION, PHILADELPHIA COUNTY; FRANK HAZEL, DISTRICT ATTORNEY, DELAWARE COUNTY; JOSEPH SMYTH, DISTRICT ATTORNEY, MONTGOMERY COUNTY; AND ALAN M. RUBENSTEIN, CHIEF DEPUTY DISTRICT ATTORNEY, BUCKS COUNTY

Mr. ABRAHAMSEN. I have no statement, sir. I understand Mr. Hazel does.

Mr. COUGHLIN. Mr. Hazel, I do know you have a statement. Are you prepared to read it?

Mr. HAZEL. I have prepared it. I see no need to read it other than to make a few comments if the committee would like that.

Mr. COUGHLIN. We would appreciate it very much.

Mr. HAZEL. Basically I would indicate to you that recently with the increased use of phencyclidine—PCP—and the methamphetamines, these two drugs have highlighted and intensified a problem that has been existing for some time. The new twist with respect to these two types of drugs is the fact that they are manufactured easily in what we know to be candlelight laboratories throughout the United States, more specifically in southeastern Pennsylvania. My remarks are from the perspective of the local law enforcement official; and I speak, I think, for the non-Federal aspect of law enforcement. The Federal effort in the problem of drug abuse is one to be applauded. By and large they do cooperate substantially with local law enforcement agencies, such as district attorneys' offices, throughout Pennsylvania. However, I think what has to be realized by all governments, be they Federal or State, the fact of the matter is that the Federal Government simply does not possess the resources necessary to fight this problem on a day-in, day-out basis; that that fight is left on that basis to local law enforcement effort; and the increase in efficiency and quality of that effort will have the most dramatic impact upon the drug problem and the laboratory problem that we now face.

Initially I believe we have run into something that none of us anticipated, and that is an attitudinal problem. Believe it or not, there are many people in this very day and age that consider drug abuse and its related problems as almost victimless crimes, more of an economic flavor than a crime flavor. This is the free enterprise system. There is no victim, since there is a buyer and a seller who are allegedly dealing at arm's length. This, I think, is a tragic feeling but one, nonetheless, that I believe exists today throughout the United States.

It is also considered by many to be a nonviolent crime, since a substantial number of drug transactions take place without the inclusion of violence. There are those who would suggest that the Government and law enforcement should devote more of its efforts to the violent crime area than what they consider to be nonviolent,

including the distribution of drugs and the establishment of drug laboratories.

In addition to that, I think we all ought to understand that our society as a whole is a drug-oriented society. Many of our children from an early age are prescribed drugs in this painless day, and they become accustomed to the use of drugs. Legally, indeed; but nonetheless, drugs are not something to be feared by them. I do not believe any emphasis, therefore, is placed on what can happen if those drugs are abused. The fact of the matter is they are exposed to them; but on the other side of the coin, there is no instruction through our educational institutions in any respectable fashion as to what can occur in the event of drug abuse.

There is, in addition, an enforcement problem. One of the most effective means by which to combat drug abuse is the undercover agent. The Federal Government has the ability to be as mobile as do those who would perpetrate crimes in the drug area. Local law enforcement officials, however, do not have that luxury. In most counties throughout Pennsylvania, outside of the major urban areas, law enforcement efforts are fragmented. In my county, the county of Delaware, we have approximately 42 departments of police varying in size and quality. Recognizing the fact that undercover operations are the most effective way to fight the drug lab and the distribution of drugs, I think it should become at once apparent that in a municipality with two or three police officers generally representing better than 50 percent of that municipality's budget, undercover efforts are absolutely fruitless in nature. I think you can multiply that fact by the number of municipalities in the Commonwealth of Pennsylvania outside of your major urban areas.

In addition to that, up until just recently in the Commonwealth of Pennsylvania, we were precluded from using electronic surveillance and wiretap equipment. Only in the latter part of 1978 was that permission given to us. And those of us who have been in this profession for some time recognize the absolute necessity for corroborative evidence secured by these means, because many of the witnesses that end up being Commonwealth witnesses come to the court with unclean hands. They are people who are testifying only because the Commonwealth has a hammer over them. A jury of 12 when looking at a defendant dressed in his three-piece suit and button-down collar and now at our witness without corroboration puts a substantial burden upon the Commonwealth of Pennsylvania.

State and Federal dollars are necessary as well for our assistance. This is not a problem that is isolated by community. It is a problem that faces the State of Pennsylvania and the United States generally. Yet we see a lack of State and Federal dollars and more recently we see a drying up of LEAA funds for law enforcement efforts throughout the United States. Yet in my very own county, the county of Delaware, I have read where the Federal Government has expended some \$19.5 million for the preservation of the Tinicum Wildlife Preserve. I applaud that effort, but I do believe there has to be some prioritization in this effort with respect to the expenditures of our funds. I submit to you that the preservation of wildlife and all of the social programs, no matter how beneficial to

the people of this Nation, will never reach optimum level unless the streets of this county, this State, this Nation are relatively free from crime. I believe that the effort in terms of dollars has to be made in that area and this is the last time in the history of this Nation that we should be drying up funds going to local government who have the day-to-day responsibility of enforcing the law and indeed having a major impact on the quality of the lives of our citizens today.

The last aspect is the jurisprudential aspect. Drug cases must be listed expeditiously by the court as an administrative matter, because the type of witness that we encounter in drug prosecutions is the type of witness that is not a secure witness for us. That witness can be ours today and theirs tomorrow; and the quicker we get to trial with these cases the better off we are. My colleagues here I am sure can tell you stories which are legion with respect to the loss of witnesses because of undue delays in the court systems.

In addition to that, I think we have to have a realistic approach—a realistic approach—to the issue of probable cause as interpreted by both Federal and State courts. It is very difficult for the public in this Nation to understand why a man who is weaving from side to side across the road and is stopped by a law enforcement official and asked to produce his driver's license and registration and get out of the car, and thereafter a search of that car takes place in which dangerous drugs or controlled substances are found, and that evidence is suppressed, certainly when one measures the equities, the invasion of one's liberties vis-a-vis the right of the public, certainly in my mind has moved the scales too far to the left. I certainly do not—am not—and I know my colleagues are not—slightly to the right of Attila the Hun in these matters, although sometimes we are painted in that fashion. But I think we are closer to what the real life is and what the real world is composed of in these matters than many of those who make the decisions. I do not think we should be afraid of words other than "probable cause." I do not think the words "reasonable suspicion" would be words that would make our forefathers turn over in their graves, provided those words were administered properly and the courts understand the uses of law-enforcement efforts in these areas.

Lastly, I believe sentences for drug abuse have to be two things. They have to be firm; and almost as importantly, they must be consistent within State and within this Nation. If I might give you an example, the people who establish drug laboratories are far from imbeciles. They reconnoiter the enemy before they make a beachhead. If they find a county that is light in law enforcement, whose reputation in sentencing is light, they will move in, because we have given them everything but an engraved invitation to come in and make a home in our county. Yet the neighboring county might have the absolute reverse reputation. There is something wrong with that lack of consistency. I certainly am not one that would propose legislation to tie unnecessarily the hands of a judge in meting out an appropriate and justifiable sentence; but I believe that parameters have to be established within which that court must operate in sentencing; and if that court deems in its wisdom to go beyond those sentences, then they must be required in writ-

ing to overcome a presumption with respect to that sentencing parameter, because if the sentencing is not consistent throughout a State or throughout the Nation, we are not solving the problem, we are indeed becoming the very essence of that problem.

Thank you very much.

Mr. COUGHLIN. We certainly thank you very much for that excellent testimony and excellent insight on the problems of local law enforcement.

Let me call next upon my own district attorney, the very distinguished district attorney of Montgomery County, Joe Smyth.

Mr. SMYTH. Mr. Chairman, members of the Select Committee on Narcotics Abuse and Control, I thank you for the opportunity to be here with you this afternoon and make this presentation. I concur with the remarks made by my colleague, Frank Hazel. I do not wish to be redundant, so I will try to touch upon areas that were not covered by Frank, although I think he did a rather thorough job.

Dangerous drugs are easily obtainable in Montgomery County. A large percentage of burglaries, robberies, and other major crimes that occur in this county are committed by serious drug users to obtain money to support their addiction. An examination conducted by my office of the sentencing sheets of the Montgomery County Court of Common Pleas reveals that 40 percent of all those sentenced for burglary in 1979 had a drug problem. Many law enforcement officials consider this figure modest and estimate that as high as 70 percent of the burglaries committed within our county borders are committed by individuals with a drug problem. Improved drug investigation techniques will, therefore, lead to a higher clearance rate for burglaries, robberies, and other major crimes in Montgomery County.

Effective law enforcement attempts in dealing with the drug problem in Montgomery County have been hampered by lack of coordination and resources, thereby affecting the ability of police in general to successfully pursue drug investigations. Montgomery County is composed of 51 police jurisdictional areas. Few of these jurisdictions possess the manpower and ability to infiltrate and investigate those who traffic dangerous drugs. The only way local police can throttle drug traffickers is to penetrate the drug culture, and that is not easy. Local municipalities cannot afford the necessary "buy" money to successfully complete an undercover investigation, and local police officers are too well known in their home communities to make much headway against drug peddlers. Also, since the drug problem transcends municipal lines, counties similar to Montgomery have been hampered by lack of coordination among local jurisdictions.

Although LEAA money is drying up I am seeking such money to pay overtime and incidental expenses necessary to form a countywide undercover squad composed of State, local, and county detectives under the direction of the district attorney to infiltrate the drug culture. By pooling personnel and deploying investigations beyond their own districts, county, township, and borough police departments can cooperate in tracking down drug dealers. Furthermore, assignment of highly trained and experienced investigators on a full-time basis will result in effective enforcement and in a

high clearance rate of drug-related crimes including the related crimes of burglary and robbery.

I am advocating the creation of two, possibly three, four-man teams composed of local, county, and State personnel to be coordinated by the Montgomery County district attorney for the purpose of improving intelligence vis-a-vis burglaries and robberies through investigation of those who traffic in drugs. The basic approach of this team concept will be to focus intensive investigative resources on target crime areas, working closely under the direction of the district attorney to guarantee that the investigation process is closely linked to prosecution. In addition, close cooperation among local, county, State, and Federal authorities will insure the sharing of information, the transfer of skills and ultimately higher arrest and prosecution rates. Obviously, the exact range of this proposal will depend upon the availability of LEAA money, but I will work to improve the cooperation among Federal, State, and local authorities even in the absence of such money.

Thank you for your time and consideration.

Mr. COUGHLIN. Thank you very much for that very practical approach to the problem you have been taking.

Mr. COUGHLIN. Mr. Rubenstein, do you have any statement or comment you would like to make?

Mr. RUBENSTEIN. I have no specific statement to make. I might add Michael Kane, the district attorney of Bucks County, has asked me to represent to this committee that he will be glad to supplement the record with a written statement if the committee so requests one.

One of the things I would like to echo by way of comment would be to speak in terms of what Mr. Hazel said. One of the difficulties we encounter in Bucks County is the problem of sentencing. The Drug Act provides for very severe penalties; for example, 15 years imprisonment and a fine of \$250,000 or both for the distribution and manufacture of a schedule I controlled substance. The Drug Act also says that the fine can be in excess of that amount. It can be, in fact, an amount which is sufficient to exhaust the profits and the assets of the particular drug operation; and although I agree with Mr. Hazel, I would not like to take out of the hands of the judges the power to impose sentences as they see fit, I would like to see some more uniformity in sentencing, especially in our county. Contrary to what the witness, Mr. Jones, said, I do believe that severe penalties, stiff sentences, long terms of imprisonment, severe fines equal to the type of crime being prosecuted would send the word out to many people involved in the manufacture of meth, use of laboratories in the Bucks County area, that this is a crime which is not profitable and this is a crime for which severe penalties will be imposed; giving these cases a priority at the time of sentencing.

What we have done in Bucks County in order to bring the problem to bear before our courts is that we will not under any circumstances plea bargain any cases which involve the sale or distribution of any controlled substances in schedule I or schedule II; but we need the cooperation of the local bench—and I would like to see the cooperation of contiguous counties in imposing sen-

tences which are uniform and which would reflect the seriousness of the crime.

Mr. COUGHLIN. Thank you very much for that statement.

Let me yield to my very distinguished colleague from the State of Georgia, who has been kind enough to come and join us here. He has been a leader on this committee. Do you have any questions at this time?

Mr. EVANS. I will address this question to any of you that would care to address it. I am wondering what action, what requests have been made of your legislature for mandatory sentences in certain cases? Has there been any move to provide for mandatory minimum sentences?

Mr. HAZEL. If I may, sir, Pennsylvania has in the last few years been discussing adjustments in already existing sentencing procedures. Perhaps I should rephrase that, discussing adjustments in presently existing nonexisting sentencing procedures, more specifically; and Pennsylvania has established a sentencing commission which has been empowered now to review the various crimes as enunciated in the Pennsylvania crimes code in other penal statutes of this State in order to establish—I think—more parameters than mandatory sentencing. I have heard it sold as mandatory sentencing. It is not. It is a sentencing procedure which would recommend or presume a given sentence for the commission of a specific crime with the sentence increasing depending upon the number of convictions.

Should the court determine to go outside of that particular sentence, the court would be required to state in writing its reasons for varying from the recommendation of the sentencing commission. I believe also, aside from the defense having the opportunity to appeal that sentence, the Commonwealth would have the opportunity as well. Whether that provision will pass constitutional muster is a matter yet to be determined; but that is, I think, the status in summary fashion.

Mr. EVANS. I might comment, Mr. Hazel, that is exactly what we have been discussing in our markup of the recodification of the criminal code on the Federal level. I serve on the Judiciary Committee, and the parameters, the right of appeal by both the defendant and the State are two of the features which are presently being discussed in the markup; and I sincerely believe that that type of approach would provide for more uniformity. As a matter of fact, Georgia follows that procedure whereby there is an appeal from the superior court judge, which probably is the same as the district—

Mr. HAZEL. A common pleas judge.

Mr. EVANS. Common pleas here. A panel made up of judges from throughout the State, superior court judges, reviews any sentence over 5 years, which does provide for some uniformity in sentencing; but I found that all of those things do not seem to work in specific cases where the public interest demands that heavy sentences be put out. I authored and got through legislation on the State level for mandatory minimum sentences for armed robbery, and am doing the same thing on the Federal level for marihuana trafficking. I have a bill which provides for a 10-year mandatory minimum sentence for trafficking in 1,000 pounds or more of marihuana.

As a matter of fact, we put an amendment to a baby formula act, a 15-year penalty for marihuana trafficking, or possession of 1,000 pounds or more, with the presumption that anybody with 1,000 pounds is not going to be able to smoke that up in a year or 2, and probably intends to sell some of it.

But I think in certain instances that it is in the public interest to have mandatory sentencing, and I am not that concerned with the discretion of the judge in those cases where the public interest is strong enough that something has to be done.

Do you find that you have sufficient personnel to handle the number of cases that you are faced with?

Mr. HAZEL. I think we have sufficient personnel, Congressman, to handle the number of cases we get involved in. Our problem is because of a lack of personnel, we simply do not get involved in enough of them. We know that there is more drug trafficking going on in our county than we can ever get to, simply because of manpower difficulties and the fractionalization of law enforcement within our county that was alluded to by two of my colleagues here, which is a tremendous problem in suburban counties in Pennsylvania.

We have discussed—as Mr. Smith indicated—in his county going to a task force type arrangement. We are already there in the county of Delaware with respect to local law enforcement agents, county detectives, and Pennsylvania State Police, whereby we were able to secure Federal money to pay the salaries of local law enforcement officials who we selected who came into the DA's office and worked with us in our task force. The county pays their salary from the money that we garnered. Then we reimburse the municipality for the fringe benefits, which are much more substantial than we can pay.

The difficulty in the southeastern area is the mobility of the people who traffic, not only the laboratories, but the heavy sellers. They are just extremely mobile. When a deal is going to go down that Montgomery County is working on, it is not unusual that it is specified the deal occurs in one of the neighboring counties, just to make sure, just to solve the problem.

The difficulty as I see it is probably no one of us as a county possesses enough financial resources or enough manpower to really have a major impact. I guess we could sit here and gratify ourselves with the number of convictions we have gotten, the number of arrests we have made, what we know. If you really ask the nitty-gritty question have we had a major impact upon drug trafficking in southeastern Pennsylvania, I for one say we have not. Not because we have not handled what we have gotten to, but because we simply have not gotten to enough of it.

We simply have to use people as undercover agents. The difficulty locally is that the local departments varying in size and quality cannot use their people for any number of reasons, the most obvious being that in a small community, everybody knows who everybody else is; and that simply will not work. Yet in Pennsylvania, for example, there are jurisdictional problems. The general assembly, State legislation indicates that a police officer in municipality A possesses absolutely no jurisdiction in municipality B. The cases are legion in Pennsylvania where we are in court on pretrial

motions trying to determine why the crime committed here and the arrest here by the officer was in the community where the crime was actually committed. It is just a maze of jurisdictional problems that confronts all of us. I think all of us are convinced at this table that the only viable approach for us is a combined effort, either intra- or intercounty.

Mr. EVANS. What kind of State police force do you have to assist in this fight, this venture? What kind of jurisdiction would such a State police force have?

Mr. SMYTH. May I approach the problem?

Mr. EVANS. Sure, Mr. Smyth.

Mr. SMYTH. Eight years ago when I was an assistant district attorney, drug cases comprised approximately 25 percent of all the cases prosecuted in Montgomery County. We had undercover drug forces operating in the county at that time. However, over the past 8 years, we have no one that is infiltrating the drug culture. It is a very difficult problem for local police municipalities to infiltrate this culture. They are tough programs to administer. It involves a lot of undercover work, a lot of danger, a lot of nighttime work. Local municipalities find they no longer have the budgets. Also, if they do have an undercover agent, in a very short period of time, his cover is blown and they have to move him to some other place in the department.

That was 8 years ago, when 25 percent of all our cases were drug cases. Out of the last 825 cases that have come through my office, 55 have been drug cases. That does not mean there is not a serious drug problem in Montgomery County, there is. But we are not doing enough to investigate it and infiltrate it. We have to have some type of team that approaches it on a countywide basis. The State police are not operating throughout the entire county. They may conduct independent investigations; but there is no coordination for transfer of information among local police municipalities, State police, or Federal Government officials. That is why there has to be closer coordination. My hope in establishing these teams would be to have one county detective, one representative from the State police, and one representative from the local police engaging on a team.

Now the team may operate in the lower end of the county, but the local police officers involved may come from the upper end of the county. The police chiefs like this approach. They will donate a man to that team for a year if they know it will have a concentrated effort in their own municipality for 4, 5, 6, maybe 8 weeks.

Recently we concluded a very good drug bust in Montgomery County. It involved two people arrested for burglary. They said they had drug information; they wanted to deal.

We sent our county detective in to speak to them. They told us who they were buying drugs from in the upper end of the county. We coordinated efforts with the State police. We started to buy drugs through two people we will call the lieutenants in this operation; and because we were able to get State police buy money—local municipalities do not possess buy money—the county has trouble getting buy money—but we got State police buy money. We were able to orchestrate the confidence of these two lieutenants and buy—made four separate purchases whereby we were allowed

\$5,200 to walk out the door. We never got it again. Since we allowed that money to go, we were able to arrange a buy off the individual who was responsible for all drug trafficking in the northern end of the county. He has never before been arrested, but we arranged a \$13,000 buy. That is why that individual came out of the woodwork. He was the only person we would deal with.

Our investigations indicated to us that this individual has close ties with the organized crime outside of the county, that he was the person in charge of drugs in the northern end of the county. The problem was we could not allow that \$13,000 to walk. If we would have been in a position where we would have allowed that \$13,000 to walk, I think we would have been able to even get a bigger fish than the person we eventually got. We had to exercise a controlled buy where we did apprehend this individual and the \$13,000.

The two people that were trafficking in drugs told us after we arrested them and got their cooperation that they dealt \$4,000 to \$5,000 a week. They sold drugs coming to \$4,000 or \$5,000 a week that they turned over to this so-called captain. Many of the people they sold to committed burglaries and robberies to buy these drugs. That we know.

That is how it is all interrelated, and that is why it takes the close cooperation and exchange of information of all the various jurisdictions involved. Right now there does not seem to be the kind of coordination we should have to really approach this on a full-time basis.

The particular bust I am talking about was the cooperation—the cooperation was excellent.

We also had another case in Montgomery County where we received the tip of a drug informant. We investigated that to the point where we knew we had no buy money. The quantity of drugs they were dealing with was substantial. So we contacted the Federal Government and asked them to step in, take over the investigation. They won the confidence of this particular individual named Nigel Anderson. I think through another \$6,000 or \$7,000 they made buys and apprehended two people named Mr. Campbell and I believe Nathaniel Coleman. They made arrests. Mr. Nigel Anderson, who cooperated with us and the Federal Government, agreed to testify. However, on the evening of Nathaniel Coleman's trial, Nigel Anderson was the victim of a brutal murder right in our county where, in our opinion, because he spilled his guts to the Federal Government, people took him to a motel, slit his throat, and carved his guts out.

So there is a serious problem in Montgomery County; and it is complicated by the fact that we have so many jurisdictions involved. We need better coordination and the exchange of information among all authorities involved; and local government does not have the resources to combat this problem.

Mr. ABRAHAMSEN. Addressing myself to your question as to manpower, in the fourth, I guess soon to be the fifth largest city in the United States, you have less than 1 percent of the police manpower assigned to narcotics investigations on a police force that has had to lay people off because of budgetary problems. You are not about to get many more assigned. The narcs are allowed to spend \$100 on a buy. Based on the testimony you have heard already, you can

imagine what you can buy for that. It is a joke. You are allowed to spend \$20 to pay an informant, unless you pay him out of your own pocket. You know what happens to informants who take the information you get for that. Large urban areas are overwhelmed with the problems of street crime. They cannot detach the substantial manpower necessary for the long-term sophisticated investigation you have to conduct to get to the top. You can go out and buy an ounce of meth, a couple bundles of heroin, and you are getting a donkey. You are not getting anywhere near the top. It takes a long-term, long-range investigation which the manpower force is lacking, the money is lacking. You have to run today in a large urban area a police department with a cost accountant's mentality. You do not have the money.

In Philadelphia we do not have the fragmented jurisdiction. Unfortunately, the people that are doing drug deals do not stop at the county line any more than they stop at the end of the police officer's shift and go home so he does not have to work overtime. A lot of suburban drug deals go down in Philadelphia because we have some judges that do not look upon drug offenses very severely. We have to get them about five times before we finally get them in jail. We have in mind, if we can find the right sources, of setting up with the police a special group to conduct this sort of sophisticated investigation and also establish a liaison with the district attorneys in the suburban counties so we do not have to stop at the city line. The problem essentially is one of finance. The city of Philadelphia has a lot of police officers who are extremely able and extremely courageous and could do the job. They are not allowed to do it. It is a damned shame.

Mr. EVANS. Thank you, Mr. Coughlin. I do not think I can ask anything after that.

Mr. COUGHLIN. Thank you very much.

Mr. Walker.

Mr. WALKER. Thank you, Mr. Chairman.

Just a question on the thing that I am pursuing here today. Have any of you had direct experience with working on prosecutions involving outlaw motorcycle gangs?

Mr. HAZEL. Yes, sir.

Mr. WALKER. I am particularly interested in your comments relative to the problems that local officials face in trying to deal with the outlaw motorcycle gangs. I think you dealt principally with the Pagans?

Mr. HAZEL. Pagans and Warlocks.

Mr. WALKER. Could you make some comments with regard to the problem of local prosecuting attorneys, local law enforcement agencies dealing with outlaw motorcycle gangs?

Mr. HAZEL. Yes. One of the difficulties that we experienced, and we encountered it in 1976 when I became district attorney, is that the Pagan motorcycle gang had pretty much made their national headquarters in the borough of Marcus Hook, one of our riverfront communities, with a very small police force, a blue collar area. They literally and almost insidiously took the town over.

Interestingly enough, it was taken over so completely and so totally that very little information about their activity in the borough got outside of the borough. That is a takeover, when you have

taken something over and no one knows about it. That is sophistication. I think we ought to always remember this.

Motorcycle gangs in the United States today are organized crime. They are not the classic organized crime caricature that is drawn in the newspaper, but they are as organized and as sophisticated as anybody else is. Their expertise in some areas transcends even the expertise in already identifiable organized crime areas.

The difficulty with the motorcycle gangs, first of all, is people don't take them seriously enough. They think they are kids who get dirty, get drunk on the weekends, ride their motorcycles and go back to work. Many of them do. But the hardcore of those outlaw motorcycle gangs are in that business for no other reason than economic profit, and we have been able to, by staying away from them throughout the United States, to allow them to engage in whatever activity they engage in, and the irony of it is the more disreputable they look, the less serious we think they are. Sort of reverse psychology, I guess, but it seems to be a hazard.

We faced the difficulty in 1976 and were unable to handle it by ourselves. What we did was get a grant from LEAA and established a motorcycle gang task force out of the district attorney's office composed of county detectives, Pennsylvania police officers and local police officers, who infiltrated the Pagan motorcycle gangs and also did something else—they identified those individuals within the gangs who were committing crimes in the county of Delaware.

Criminal activity was never really identified as motorcycle gang activity until we got hold of the end of the thread. Once we did, we could bring it right down through the system and see the traumatic impact they were having upon the criminal justice system in the county of Delaware.

Once the forces were marshalled—and it was no easy job selling that marshalling—in fact, the Citizens Crime Commission of the city of Philadelphia, as much as anyone, was instrumental in getting the Government interested in this and identifying it as a real viable criminal activity. Once we were able to identify the problem and get the interest, we came to the Federal Government. We were able to cooperate with the U.S. attorney's office, with ATF, with DEA and a number of other federally affiliated agencies, resulting in May of 1977 in probably the largest raid on outlaw motorcycle gangs in the Eastern portion of the United States.

That raid was coordinated from the State of Florida through the State of New York. In Delaware County alone we arrested some 47 individuals charging them with various State and Federal offenses, all of whom were convicted.

One thing that I guess everyone has to remember in this business is that these people hire out. In many respects they are hired guns for the enforcement activity of more sophisticated organized crime. They are heavily involved in drug trafficking.

They are extremely mobile. Their labs are located all over the Eastern portion of the United States, and since they are very—as I say, candlelight in nature, where you can put this stuff together without a degree in chemistry. They can move from farm A to the city of Philadelphia, back out to Bucks County, back into Montgom-

ery County with the same operation. Once the heat gets on, they are here.

I guess what I am getting to is we have been successful in combating them. Our conviction rates with respect to them are high. I wish I could tell you today we have rid the county of Delaware of motorcycle gangs, but that is the last thing we have done. What we have been able to do in some respects is move them from the county of Delaware to someplace else. We have also been successful in moving them to somebody else's county and making it their problem, because we can't get across the county lines.

The Federal Government has become interested now. They had to be, quite frankly, because of the mobility of these organizations.

They are an insidious cancer on the face of this Nation. Until people begin to take them seriously, they are going to be a force that we are going to have to combat from now until hell freezes over. They, in many respects, are better organized than we are.

If you put a reasonable man in the middle between outlaw motorcycle gangs and law enforcement generally and ask him which one of the two of us, given the status of things today, would you bet on surviving, he would bet on them, because they are much better organized than we are.

Mr. WALKER. Isn't it true in the case of the Pagans when you did force them out of Marcus Hook, that it wasn't just that they crossed county lines, they at that point crossed State lines?

Mr. HAZEL. Oh, yes sir. No question about it. The activity went into the State of New York, the State of New Jersey, the State of Delaware, the State of Virginia, all over. They dispersed in many respects. They are not as overt, for example, in our county because they know we have the task force still in operation.

I know we have been questioned a number of times, why do we keep the task force going, you have won the battle. We haven't won the battle because the minute we take the pressure off, they come back. They are like bees. They probe. Once they find a weakness, in they go. If we are strong and somebody else is going to be weak, they are going to go in there. That is why an overall approach to the motorcycle gangs is the only viable approach to take.

Mr. WALKER. Thank you. Thank you very much.

Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Abrahamsen, you mentioned—maybe I misunderstood—that in the city of Philadelphia the police are not allowed to do the job. I am not sure what you meant by that.

Mr. ABRAHAMSEN. One, they don't have the resources, sir.

Mr. COUGHLIN. In terms of money?

Mr. ABRAHAMSEN. In terms of money, manpower, and available time. One of the things that has to haunt a police commissioner—and he has my heartfelt sympathy because of that, it just boggles the mind—is police overtime. They have to look at an investigation not in terms of what ultimately is going to result from it, but how much it is going to cost.

The police in Philadelphia waste an inordinate amount of money because the average criminal case, the average drug case is not tried on the first, second or third listing, but more likely the sixth.

eighth or ninth. If we don't get the case tried, as you know, within 180 days or get the courts approval to extend it, it is our fault.

Each listing we have to be ready. We have to have the police officers there. It is either when they should be out investigating drugs because they are on day work or it is overtime. They spend more time sitting around in court waiting for the defense attorney to decide he is going to try the case and they have to be there.

They are not allowed to do the job because they are not given the resources. Now, whether it is a matter of priorities and resources could be allocated from elsewhere, or whether it is simply not existent, I hesitate to say. I would say if 50 percent of all the street crime results from drugs, we ought to devote more than 1 percent of our resources to fighting it, even if we have to take it from somewhere else.

Mr. COUGHLIN. Have any of you had any specific cases in the last year involving methamphetamine labs, which is the subject of this hearing?

Mr. ABRAHAMSEN. I had an experience 2 weeks ago. A preliminary hearing, two defendants held, one wasn't. It was about a 3 hour hearing. I had to write a brief to persuade the judge we made out a prima facie case. The police executed a search warrant in a house. All the windows were barred with steel latticework, horizontal and vertical. The front door had two-by-fours nailed to the door in front of it so it wouldn't open. There was a steel gate at the back door. The only furniture in the place was a couple of beds and a TV set. The meth lab was cooking away in the basement. The police had to break in the door, caught one of the defendants exiting from the bathroom, or trying to.

The preliminary court judge had very serious doubts that we had established enough to go to trial on these birds because maybe they were merely present at the scene of the crime.

One of the problems with the court system and perhaps some of the appellate court judges, who have lost contact with reality is that they think that someone might just casually be present in a fortress-like house where a methamphetamine lab is cooking away out of which they will make a couple hundred thousand dollars worth of methamphetamine.

It is tough enough to find them. Once you find them, it is more difficult to convict them. Once you convict them—half of these judges equate methamphetamine with the stuff they used to stay awake during exams in law school. You have to get them two or three times.

They are not dumb, every time you get them, they get a little smarter and harder to catch.

Mr. COUGHLIN. Generally you find with the first conviction, there is no sentence at all?

Mr. ABRAHAMSEN. Occasionally the first conviction you get a jail sentence, but only if you get them with an awful lot of stuff. I had a case a year ago where we had four undercover buys of heroin from a gentleman. The last buy was 25 bundles, \$1,250 worth. We were dickering for an ounce for about \$5,000. He was given 11½ to 2½ months in the county prison on work release so he wouldn't lose his job. It is all I could do to keep from throwing up.

Mr. COUGHLIN. How about lab operators themselves? What kind of sentences have you seen there?

Mr. ABRAHAMSEN. In the last year and a half or 2 years we have not yet brought to trial a lab case and gotten a conviction. It would be, sir, a flip of the coin. If you get a judge who looks on this sort of thing seriously, he will get a severe sentence. If you get one who feels that somehow the fellow is in the lab business because society let him down, he will walk. It is a matter of luck as to what happens. No consistency at all.

Mr. HAZEL. If I may comment on that, one of the things I think we find in Delaware County that may be found elsewhere is after the conviction, because the nature of the crime is either drug or drug related, it seems that there is a tremendous amount of resources on the part of the Commonwealth of Pennsylvania which go to determining where we ought to put this fellow in order to rehabilitate him instead of how are we going to get him off the street so he is not infesting the rest of the world with his disease.

There is nobody sitting at this table that would not like to see somebody who is involved as a user or trafficker in drugs totally rehabilitated. If someone can bring one here and show me one, I will take him home with me and feed him dinner for the rest of my life.

The fact of the matter is that in the real world it doesn't happen. There seems to be some thought in the minds of the judiciary that you have to give them this treatment while he is out on the street, that you can't give it to him in an institutionalized atmosphere.

We had a case just not too long ago where we convicted an individual of substantial crimes. He came in at the sentence, was sentenced to what we thought was a decent sentence. He petitioned for a reconsideration, whereby the doctor came in and said the stress of the conviction and the trial and the fact that he didn't take care of himself when diabetes was identified, would indicate that in an incarceration atmosphere, he might die. Therefore, the sentence was postponed. When we have prisons that have hospitals in them and here is an individual whose own failure to take care of himself and follow doctor's advice kept him out of jail.

You try and go back and tell 32 assistant district attorneys making just enough to eke out a living that they ought to bat their heads against the wall when that kind of stuff happens. One of the difficulties we face in this profession is the level of frustration. Sometimes you mistake a laugh or a sigh as a cavalier attitude about it. Many times it is simply a way of surviving.

Mr. SMYTH. Mr. Chairman, with regard to your own county, Montgomery County, and the question of methamphetamine labs, I can tell you in the past 6 months two homicide investigations conducted by the Montgomery County detectives revealed methamphetamine labs just over the county borders in Philadelphia.

Also a resident of Montgomery County was operating a methamphetamine lab which blew up in Plymouth Township in the last year. This resident was a known chemist. He was arrested in a drug bust involving the operation of methamphetamine labs in Cape May, N.J. He is a chemist who travels around to the various labs and performs the work.

We do have two other people that were arrested. Their cases have not yet come to court for operating methamphetamine labs. My detectives tell me over the past 7 or 8 years there has been a tremendous increase of methamphetamine within Montgomery County. In fact, the price hasn't gone up in 7 or 8 years, which indicates there is a lot of it available. Obviously labs are operating.

However, it is the feeling of the county detectives that many of these labs are now moving to the northern end of the county or even into the Poconos because they are harder to detect up here. The labs give off a strange odor. People are aware that something of this nature is going on if they are in a residential area.

Also, you are in a more rural area, it is tougher to surveil the particular building in which the lab is being operated. They like places where you have to drive a couple hundred yards down a dirt road to get to the house. There is a feeling that the labs are moving into the Poconos because they can manufacture methamphetamine there and easily transport it to Philadelphia and the adjoining counties.

Mr. COUGHLIN. Mr. Rubenstein, any further comment you have?

Mr. RUBENSTEIN. No. The only contact I have had as a prosecutor with methamphetamine, regarding the sale of methamphetamine, unfortunately resulted in a homicide prosecution which I prosecuted. That, of course, was at the point where it came too late. We were not able to prosecute the individual who was involved in drug trafficking for the drug offenses. We had to rely on the Federal Government to intercede on that particular regard, but we were only able to prosecute him when there was a drug-related homicide committed in our county.

To echo one of the things Mr. Hazel said, I think it is incumbent upon the judges to realize what I believe most district attorneys do recognize. That is that there is a large distinction between those individuals involved in the distribution of narcotics who are themselves using it to support their own habit or selling it to support their own habit and those individuals who were purely involved—such as the laboratory operations—for pure profit.

We have found in Bucks County that the pure profit types, those who we have targeted or at least our police departments have targeted as major dealers, have gotten severe sentences. Those who are users, have gotten appropriate sentences. It is the people in the middle whom we don't quite have the goods on who it seems the courts don't recognize are the big dealers, that we have difficulties with in regard to sentencing.

Mr. COUGHLIN. Thank you very much.

Unless the staff has additional questions, we just want to thank you very much for your testimony, for appearing here today, for taking your time and being so very helpful to all of us.

Mr. SMYTH. Could I echo just one more frustration? The reason I emphasized the number of burglaries and robberies related to drugs is because few people seem to understand this. This is my greatest frustration. I think Frank Hazel touched upon it in his opening remarks. People think a drug problem is a problem that relates to a particular individual. This is a real frustration for all law enforcement officials. I even have to overcome this when I try to obtain through State officials, LEAA money through various

State officials. They seem to think that we are just kind of crazy people that want to run in the high schools, and lock up kids for having pot parties, and why such a concern about people who choose to upset their lives by using drugs?

It is not that simple. I can't understand this mentality. No law enforcement official can. These drugs definitely contribute to serious crimes, and yet people within law enforcement, who control these funds, don't seem to understand this.

Mr. COUGHLIN. Thank you very much.

The next panel is Peter F. Vaira, U.S. attorney, eastern district, Pennsylvania, accompanied by Edward Dennis, Jr., assistant U.S. attorney, deputy chief, criminal division, and John Reilly, assistant U.S. attorney, eastern district of Pennsylvania.

It is the policy of the committee to take the testimony in a sworn fashion.

[The witnesses were sworn.]

TESTIMONY OF PETER F. VAIRA, U.S. ATTORNEY, EASTERN DISTRICT, PENNSYLVANIA; EDWARD DENNIS, JR., ASSISTANT U.S. ATTORNEY, DEPUTY CHIEF, CRIMINAL DIVISION; JOHN REILLY, ASSISTANT U.S. ATTORNEY, EASTERN DISTRICT, PENNSYLVANIA

Mr. VAIRA. Thank you very much.

It is a pleasure to be here. I am proud to have these people with me, Mr. Reilly, and another gentleman, Edward Dennis, who is deserting me to become a bureaucrat in the U.S. Department of Justice. He is here ex-officio.

As you know, he will become very shortly the head of the Narcotics Section of the Department of Justice, which is a nationwide job. I am sure he will do extremely well.

Mr. Chairman, we are at your pleasure. I have a short statement which I have previously submitted. You probably have heard a lot of that information. I would gladly read it into the record.

Mr. COUGHLIN. It will be entered into the record, if you would like to summarize it.

Mr. VAIRA. I think in summary you can say that there are just three points in my statement I would like to make.

One, Philadelphia is the meth capital of the country. Unofficially it's known as that; we are sure of that. Historically it started here. Perhaps because there are a lot of supply houses where one can buy the precursor chemicals, for whatever reason, we seem to have the problem more than any place else in the United States.

Two, we simply need more manpower. By that when I say "we" I am talking about the enforcement agencies, the Federal enforcement agencies, DEA and my own office. For example, DEA has two groups with 10 agents in each group. An abnormally complex methamphetamine prosecution investigation can tie up those people in about 2 days time because of the method of surveillance and the complexity of those types of investigations.

As you know, a methamphetamine investigation usually occurs on three levels.

First of all, the agents have to track down the users of the chemicals from the supply houses. They have to make the lab, then

trace that methamphetamine onto the street level where it is distributed. That could tie up those agents quite a bit.

I think they need a substantial increase. As usual, and I am sure you have heard this from other Federal agents, we come to ask for our handout also. This particular office that I am the head of is woefully short. I realize that doesn't come particularly within your jurisdiction, but I will make you aware of it.

When I took over here in 1978, 2 years ago, this office had 38 assistants. We have 19 active sitting judges. That is more than any other district in the United States with the exception of the southern district of New York. To give you some idea of the ratio, in Chicago, where I came from, there are 85 assistant U.S. attorneys and 12 or 13 judges.

Los Angeles has 90 assistant attorneys and 13 judges. New Jersey, our sister State, has 70 assistant U.S. attorneys and about 12 judges. We are simply nowhere in the ballpark if we are going to service everybody and service the judges.

I think this office, the office for the fourth largest city in the United States, should have about 75 assistant U.S. attorneys to be able to service DEA and the other agencies in the types of investigations that are required in this narcotics area.

Let me address another important point. I will refer to my statement this time because I would like to be precise.

These methamphetamine cases, as serious as they are, have continually produced far less severe sentences than are warranted for such a dangerous drug. For one thing the maximum punishment of 5 years is simply too low.

For example, the courts are aware that in heroin prosecution the maximum punishment for each count is 15 years. Courts are of the opinion that Congress feels that methamphetamine, with a 5-year maximum, is a far less dangerous drug than heroin. They use that 5-year maximum as a cap. They usually work down from there.

I notice there are defense attorneys who are members of the bar associations who contend that if the indictment contains the number of counts, the court has 10, 15, 20 years to work from. That is simply unrealistic.

Courts will always view the severity of the crime by the maximum punishment that is assigned to it. They will deal with it on that basis. The indictment, as I have often said, may contain 50 or 75 counts. It doesn't matter. The courts view this as a 5-year case.

Because methamphetamine is not widely known, at least in the popular perception, as heroin is, then the dangers are not as widely circulated or known as heroin, a lesser sentence results.

We think a change in the maximum punishment of this offense will go a long way toward helping to solve that problem. We have had defendants tell us that they would rather work with methamphetamine because the risk is less. That comes right from the horse's mouth, the men who work the streets.

If there is one area to which Congress can address itself, it is that the maximum punishment ought to be raised.

In summary, we say we are the meth capital. We need more horsepower. The maximum punishment ought to be raised.

Thank you.

[Mr. Vaira's prepared statement appears on p. 119.]

Mr. COUGHLIN. Mr. Evans, do you have any questions?

Mr. EVANS. I think I would like to agree with what you have just said. I thought it was interesting what you said about heroin, about how the judges treat that more seriously. I wonder if we raised the penalty on some of those other drugs if we could get the DEA to emphasize those in addition in other parts of the country like they do in this jurisdiction.

I think there are a number of drugs which are very serious, and this is one of them, the problem you have here. It seems like heroin is treated by the courts as being so much more serious than the other drugs; yet when you have drugs of wide abuse like we have here, those drugs are affecting more people than heroin, and think the DEA is properly in this case emphasizing the investigation and the priority on the drugs that we are dealing with here.

What is your opinion, sir, of mandatory minimum sentences?

Mr. VAIRA. Mr. Congressman, I am going to share the microphone. I will pass the microphone to the two men who accompanied me.

I think a mandatory minimum is a serviceable effective tool in law enforcement. A mandatory minimum takes the monkey off the back of a judge quite often. He is quite often in the dark as to what these offenses mean; he is groping. Quite often he is caught between the prosecutors and the defense counsel giving him information.

If it's set, if Congress has determined what a mandatory minimum is, I think you have more acceptance.

Mr. EVANS. Do you think the arguments that are used that the judges should have this discretion to be able to temper each individual case, is there any legitimacy to the view that if you commit a certain act then society places a certain value of punishment on that, that it should be the same or at least a minimum for everybody?

Mr. VAIRA. I think that is true. It's been the historical aspect of this. You take different parts of the country. Some drugs or some offenses which in other parts of the country are regarded more lightly and you end up getting—for example, down in the South you end up getting a lot of heavy sentences in marihuana cases. If you come up here in the liberal area, people get offended by that.

The great fear of the courts is they will get stuck with a mandatory minimum which is completely out of line to them.

Mr. EVANS. Do you think marihuana is any less harmful to the people in Philadelphia than to the people in Macon, Ga.?

Mr. VAIRA. No, I do not. You will find you can't get a heavy sentence for marihuana here.

Mr. EVANS. You can't in Atlanta either. You don't have to get out of Georgia. You can have three, four, five offenses without getting a jail term.

Mr. VAIRA. The point I am making is that the courts fear that they are going to be saddled with some sort of unreasonable maximum which will be set in stone—minimum, I should say—which will be set in stone and time will change and perhaps it will be regarded less serious as marihuana has become. Then they are stuck with that. Knowing the nature of the beast, of the courts, they fear that greatly.

The problem is finding the most reasonable minimum to place. I have no problem with minimum punishments.

Jack?

Mr. REILLY. Sir, I have no problem with the minimum punishment, minimum penalty either, particularly when it has been proven over and over again based upon my experience and the experience of others that we are, in fact, dealing with a particularly dangerous drug here. The level and amount of abuse and the need, widespread need for deterrence, in this particular area, I think that that is one way in which to express that deterrence to the violators who are on the streets at this time.

Mr. EVANS. Do you think that each individual dealing in drugs of this nature feels that he will not ever be caught? Is that common in your opinion to all participants in illegal activities?

Mr. REILLY. I don't know whether that is common, sir, but I have encountered people more recently who have felt that even when they are caught, they are not going to be dealt with severely.

Mr. EVANS. That is a result of our laws, is it not? That is a result of the practice of the judges being lenient?

Mr. REILLY. That is right, sir. The attitude may then spring that they will not be caught, and even if they are, they will not be dealt with that severely. I really can't express an opinion as to what they may be thinking on the streets.

Mr. EVANS. I would be interested in Mr. Dennis' opinion on that, since I know where he is going.

Mr. DENNIS. Well, Congressman, I am in favor of mandatory minimum sentences, particularly in drug cases. I know there has been some public debate about minimum sentences in many other types of criminal activity. If I were to focus my attention, I think I would focus it on the repeat offender. I think at a minimum, we should have minimum sentences, jail terms, for repeat offenders.

If I were concentrating my efforts, I think I would concentrate in that area. I think that a person who is an operator of a methamphetamine laboratory or deals in heroin or other types of dangerous drugs and is a second or third offender, that we should have some assurance that he or she will go to jail for a fairly substantial period of time.

Mr. EVANS. Mr. Dennis, we have yet to send 80 percent of them to jail on the second offense, haven't we?

Mr. DENNIS. I think so.

Mr. EVANS. Let me ask your opinion. What is your opinion of a Federal paraphernalia law?

Mr. DENNIS. I know there has been a lot of debate on that.

Mr. EVANS. I want to pin you down before you take office.

Mr. DENNIS. Well, I am not that conversant with the proposed statute, the Federal statute on this level. I do think that there is a problem. I was in a shopping center the other day and saw in a record store a number of coke spoons and a marihuana pipe and what have you. My son is 8 years old; he wanted to go in there; it was a record store. He wanted to go in there and look for records that he could buy.

I wouldn't let him go in. I think it's a serious problem and I think it needs to be dealt with. Whether or not a Federal law would be the most effective way to do that, I am not sure.

Mr. EVANS. Do you think there is any justification at all for that type of business being legitimate, whether the only purpose for these items is for use with illicit substances?

Mr. DENNIS. No; I do not see any legitimate use for it. I think it could be very deleterious in terms of impressionable young people.

Mr. EVANS. We have testimony that was printed in Parade Magazine a couple of Sundays ago—we actually had the hearings last year—that at least this one individual was partially led into more extensive use of drugs by the attractiveness of the paraphernalia.

Mr. DENNIS. Well, I think that the problems of drug use and drug abuse are in part perpetrated by a romanticized aspect to this. Young people are very impressionable. They perhaps feel that this is a way to impress others in their peer group or that this is the thing to do, so when you have that type of attitude being encouraged on a commercial level, I think you have a real problem.

I think it's something that the laws certainly should be dealing with.

Mr. VAIRA. I have a problem with the paraphernalia law. Just from a prosecutor's standpoint, I don't think, if there were one, we would get any amount of sentences from it. You would see the prosecutors tending to stay away from it.

Mr. EVANS. I would tend to disagree with you from the experience in Georgia. We have just about put them out of business in Georgia. It might not be because you have got a valid statute, but you can do so much with it without ever having to do a whole lot of cases, if you keep the cases delayed long enough.

I am looking for effectiveness. I don't necessarily—

Mr. VAIRA. I realize that. I have to worry about them going upstairs to the courts of appeals and the perception that we portray to the public. I think it's a shortsighted law, Congressman, quite frankly.

Mr. EVANS. What do you do about the paraphernalia then? You just let people operate?

Mr. VAIRA. I don't think the paraphernalia is the cause of it.

Mr. EVANS. You don't think it adds to the problem?

Mr. VAIRA. Very superficially. The paraphernalia is kind of dangerous for the young kids attracted by this romanticism. I think you fight drugs; you don't fight the incidentals.

Mr. EVANS. I thought if you fought drugs, you fought every facet of it.

Mr. VAIRA. I don't think so. You end up diluting your effort. You put your major effort where your problems are, from the major suppliers, the major peddlers, the more sophisticated methods of tracking them down and a lot of education.

Mr. EVANS. Let me tell you what we did in Georgia; then I will get off this subject. This is not what we are talking about. This is something that your public can do.

I think that the public pressure in Georgia has been more influential than the law itself in closing down this type of operation.

Mr. VAIRA. I agree with you there. I think a great deal of the problem in fighting drugs comes from, as you say, education of the public, especially in the schools, which gets a little bit out of our Federal jurisdiction. But I think what you are saying is—I take it from what you are saying that it's an educational process. If you

have enough public perception, raising Cain with those fellows on the level of every day business, you have gone a long way—

Mr. EVANS. They have a tendency to go elsewhere like where it's easier to be in business than it is there.

Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Walker?

Mr. WALKER. Thank you, Mr. Chairman.

From your perspective, how much of a factor in the methamphetamine problem do you see the outlaw motorcycle gangs being?

Mr. VAIRA. I am going to pass that question. I am not as familiar with that as my two assistants who have been here longer than I have.

Gentlemen?

Mr. DENNIS. Mr. Reilly has been involved actively in at least one investigation on an ongoing investigation that resulted in a number of arrests and convictions. I think he could probably speak to that.

Mr. REILLY. In 1977, Congressman, in conjunction with the State and local authorities, we had a very detailed, very aggressive campaign against the Pagan and Warlock motorcycle gangs concentrated in Delaware County, in conjunction with the Drug Enforcement Administration and Bureau of Alcohol, Tobacco and Firearms, involving at least two if not three or four undercover agents and officers living out there on a full-time basis.

As a result of that, I think that that effort, that federally and locally we were able to have a serious input into that area and negate a lot of their activity at that time. In conjunction with that, naturally, was a large number of arrests involving methamphetamine and an even larger number of arrests involving gun violations, including pipe bombs, silencers, machine guns, all of which, I might add—at least the gun violations—received—I don't recall—a gun violation—maybe one out of perhaps 15 defendants receiving any jail time for, but I think it had a serious impact at that time.

Since that time, I don't recall we have had any particular major conspiracy cases involving the motorcycle gangs. I know as a result of that, some of them went further south out of our jurisdiction. They are here. To the extent they are here and we have gotten word that they are making a movement back into the area, we would certainly be willing to put the manpower necessary to coordinate efforts with DEA and the local authorities should that be proposed to us.

Mr. WALKER. Concerning the headquarters office in the Department of Justice in Washington, were they at all enthusiastic or did they hear very much at all about your prosecution efforts on outlaw motorcycle gangs in the 1976-1977 era?

Mr. REILLY. To tell you the truth, Congressman, I was the junior member of the two lawyer team at that time.

Mr. WALKER. I am having trouble understanding why amphetamine traffic is controlled by these gangs. They are organized crime. Law enforcement officials describe them as organized crime units. We just dealt with the drug aspects of them.

As you mentioned a minute ago, there is also a problem with them in firearms. We know there is a problem with them in violation of the Mann Act and many other classes of Federal

crimes. Why hasn't the Justice Department been very interested in doing anything about outlaw motorcycle gangs? Do you have any hint at all?

Mr. VAIRA, Congressman, I can just give you a supposition. As you know, I was in the Department of Justice before I took this job. For 10 years I was in the organized crime section. I am here; I have seen both sides of the coin, seeing how the home office and the field works. I think that particular type of problem is one that has not reached any level within the Department of Justice that seems to get nationwide organized attention.

I think it really falls within the purview of the narcotics section, which Mr. Dennis is taking over. I think that that section needs to put its mind there. Why it hasn't done that, I simply think that there has been a lack of communication, a lack of effort making it into a project.

It's very difficult sometimes for outsiders to imagine how the Department of Justice works in coordinating national efforts. Quite frankly, at times it does not coordinate national efforts. I think this particular area is one that it doesn't. It is left to the U.S. attorneys' offices. Of course, the U.S. attorneys' offices only occupy one district. We can't reach into New Jersey.

I can't tell the U.S. attorney of New Jersey, "Get up and move it," if he has a motorcycle gang over there. It's going to take some interterritorial coordination. I think the Department falls down there. It doesn't do it so much in the organized crime section, because they have a national program, but in this particular area of narcotics, it has not done as much as I think it should be doing.

Mr. WALKER, Do you think the Department of Justice might take a more active interest in outlaw motorcycle gangs in the future?

Mr. DENNIS, I do know from my brief discussions with the Assistant Attorney General for the Criminal Division, Mr. Philip Heymann, that there are a number of investigations, albeit being conducted out of U.S. attorneys' offices, in California, in particular, that are concentrating on the motorcycle gang problem there.

I believe the dominant gang there is the Hell's Angels where the continuing criminal enterprise statute is being used, where the bylaws of the Hell's Angels are being used as evidence in the investigation and in the prosecution, so that perhaps a successful prosecution in that case may draw more attention of the Department to similar problems in other areas insofar as the Delaware Valley is concerned.

I have not heard a great deal said on the national level.

Mr. WALKER, One of the problems my staff has encountered in talking to people who are in the process of trying that case in California with the Hell's Angels is the fact that the lack of a national effort, though, makes those people feel as though they are swimming uphill against something the Department is not all that interested in.

It has made the characteristics of their case—they feel as though they are dealing with a national subject. They feel they may be on the crest of a wave of something that needs to be dealt with on a national front, but that nobody really recognizes it as being a national problem, that they are kind of dealing with a northern California problem; that is fine.

It strikes me it's much the same thing as when the Pagans were dealt with here. It was looked upon as a Philadelphia problem, not a national problem. My question is how long is it going to be before the Justice Department figures out they have a national problem here?

Mr. DENNIS. I won't speak for the Justice Department in terms of whether or not this would be considered a national problem or not. I think the tendency, however, is to look at it as being a problem of the home State or the home district where the gang is usually located, where it has its headquarters. The danger it may be doing in other areas is either not sufficiently documented that the Department has considered it to be a national problem, or there is just a different set of priorities.

I cannot really speak for the Department in Washington concerning any other efforts that might be made to make this a national project of some type.

Mr. WALKER. The prosecution in California was under the Rico statute. It was mentioned here a minute ago that maybe it falls more into the narcotics area than into the organized crime area. Wouldn't the very fact the prosecution there was based upon the Rico statute indicate it should be dealt with as an organized crime problem rather than a narcotics problem?

Mr. VAIRA. When you use the term "organized crime" it doesn't essentially make it into anything different. It's still a crime among a group of people who are organized and have some internal discipline. For some years, I know that a lot of the narcotics prosecutors were trying to get the organized crime section of the Department of Justice, which has a large amount of resources, to pick up those narcotics cases and make the motorcycle gangs and other groups like that into the organized crime, put it into their program, because there are 150 attorneys in the organized crime section backed up by a lot of other resources and a lot of money in the Department of Justice.

There has been a substantial reluctance to do that in past years, trying to keep the narcotics out of organized crime. The history for that, Congressman, is not so much that we are talking about efforts. There was some problem for some years about the organized crime section being too powerful and getting into everybody's hair. For a long time, some people—including some past leaders of the Department of Justice—wanted to keep them out of all those things and keep them into chasing the traditional organized crime as they saw it.

That is a question that I don't think we can solve in 2 minutes, but somebody is going to have to rethink that if they are going to go after those types of national projects.

Mr. WALKER. Well, the thing that strikes me that doesn't seem to have gotten across yet is that law enforcement officials talk about the outlaw motorcycle gangs as being about on the same level as traditional organized crime was in the twenties and thirties. It would appear as though they found themselves a product much like booze was in the twenties and thirties that can easily be made in a homestyle operation and that product is methamphetamine.

So they have themselves a large profitmaker which is going to allow them to become far more sophisticated in their operations if

it's allowed to continue. The question is shouldn't we do something to try to break the back of this insidious level of organized crime before it does make those huge profits and gain that even stronger foothold?

In all honesty, I see very little action on the part of the Justice Department—I am talking about the national picture right now—that even expresses an awareness of the problem let alone a willingness to do anything about it.

Mr. VAIRA. Congressman, I think it has to be addressed; I wouldn't say nationally, I would say regionally. I think our problems here are slightly different than those in northern California. As it crosses State lines, I agree there should be some sort of mini task force or some sort of cooperation to attack it much more than it has been. From time to time I get consulted by the national office.

I will take your suggestions to them. Occasionally they listen to me.

Mr. WALKER. I appreciate it.

Thank you, Mr. Chairman.

Mr. COUGHLIN. Thank you very much.

Have you had major cases in this past year involving methamphetamine labs in your office? If so, how many?

Mr. VAIRA. Yes, we have. I would say seven or eight. I am talking about major cases. There have been a couple of midlevel ones, and a couple of very big ones. The one that comes to mind at first is one called the 401 case, named for 401 North Broad Street where the lab was eventually located. That case lasted about 2½ years before we got to the lab.

There were a lot of prosecutions in that. Jack Reilly handled that personally. It started long before I got to the office. If Jack would like to comment to give you some idea how that was put together, with your permission, I would ask him.

Mr. COUGHLIN. I would appreciate that.

Mr. REILLY. The 401 case was an extensive investigation conducted and coordinated by our office and a number of agents for the Drug Enforcement Administration. It started, as with most of the methamphetamine investigations, with a large number of precursor chemical orders showing up from the large chemical companies to a location at 401 Broad Street, at a location collocated with the Southern Christian Leadership Conference under the name of Sock It to 'Em Exterminating Company.

Back in 1976 and 1977 it was a particular notion on the street that P-2-P was an ingredient that could be used in various things, one of them being exterminating companies. We got a large number of orders under various exterminating companies. We were able to coordinate and agree upon sending in an undercover officer as the truck driver to negotiate with them about obtaining those chemicals through him at a reduced rate.

Eventually he made three buys off Stanley Colbrith of three controlled substances that was about three-quarters of a pound of methamphetamine, for which we gave him a combination of precursor chemicals and cash.

That basically was the start of the investigation. We knew beyond Stanley Colbrith there lay a number of individuals lurking

in the background. Indeed, over the next 2½ years or 2 years, we spent a great deal of time utilizing the grand jury to call a number of witnesses, gather records, and coordinate an investigation which led down to Washington, D.C., to a building at 1625 I Street, which housed the National Union of Security Officers.

Every time we cut off a supply of chemicals another fictitious company would arise in another area, that being one of them, in which they would order other precursor chemicals.

We eventually, in August of 1979, indicted nine individuals basically on the conspiracy to manufacture methamphetamine, most of those individuals having been originally on the board of directors at 401 North Broad Street and in charge of various fictitious companies.

In between the time of the original indictment and the superseding indictment a future investigation revealed a clandestine methamphetamine laboratory not far from 401 at an urban abandoned residence here in Philadelphia.

A number of items recovered at that location tied back into a number of our documents that we recovered from the chemical companies whose records we subpoenaed. As a result of that we indicted two or more individuals and we subsequently went to trial in December on ten individuals, eventually convicting eight out of the ten.

Mr. COUGHLIN. Are most of the cases that you have been involved with based on a conspiracy theory as opposed to buy and bust cases? What percentage which way? Could you give me a statement of that?

Mr. VAIRA. Without mentioning terminology, there is always a certain amount of buy-bust. For example, in Jack's case involving 401, it started with a buy-bust, but as a general rule we always work under a conspiracy theory. We have pretty much adhered to that. Buy-bust cases are a rarity in the meth lab area in our office. They are not completely noncompetitive, but we have, starting with a young man named Tom Mellon, who is now the chief of the Criminal Division, we have caused the DEA to begin to work on the conspiracy theory.

I would say overall, am I correct, Ed, about 75 percent of our cases are conspiracy?

Mr. DENNIS. About 75 percent of the narcotics cases that we do handle involve a fairly substantial investigation on the conspiracy theory. You can't determine a conspiracy case by the fact that it has a conspiracy charge in it, but a vast majority of our cases involve substantial grand jury work in the conspiracy aspects of the case.

Mr. COUGHLIN. I have this one parochial question. Why is your staffing level so low compared to other cities in the United States?

Mr. VAIRA. Historical.

Mr. COUGHLIN. Historical?

Mr. VAIRA. Yes; it goes all the way back to the 1960's. At that time when other U.S. attorneys were building up, this particular U.S. attorneys' office started with 12 in 1960 and in 1968 ended with 12 assistants. Since that time other U.S. attorneys have come along and tried to increase, but you can't increase by 300 percent. So they were always behind.

If things had begun to move back in the 1960's, we perhaps would be where we should be. Compared to the amount of judges that we have, it's just a ridiculous figure.

Mr. COUGHLIN. Unless there are questions from the staff, we thank you very, very much for your testimony, and for being here.

We are honored and pleased by your presence.

Thank you.

We will take a brief recess.

[A brief recess was taken.]

Mr. EVANS. The meeting will come to order.

Mr. Coughlin is on the phone right now. We are going to continue at this time in the interests of time. We would like to call the next panel forward at this time.

[Witnesses sworn.]

TESTIMONY OF CAPT. ANTHONY SCAFIDI, NARCOTICS DIVISION, PHILADELPHIA POLICE DEPARTMENT, ACCOMPANIED BY SGT. ROBERT COLLISON, DELAWARE STATE POLICE; SGT. THOMAS ST. JOHN, NEW JERSEY STATE POLICE; AND CPL. FRANCIS BASON, PENNSYLVANIA STATE POLICE

Mr. EVANS. Captain Scafidi, do you have a statement?

Captain SCAFIDI. Yes, sir, I do.

[Captain Scafidi's prepared statement appears on p. 125.]

Mr. EVANS. If you wish to give that statement in its entirety, it will be submitted in its entirety for the record. You may summarize it or read it as you wish.

Captain SCAFIDI. Yes, sir.

Members of the panel, as the new commander of the narcotics unit of the Philadelphia Police Department, I welcome this opportunity. The Philadelphia Police Department Narcotics Unit is the principal investigative unit for violations of narcotics laws within the city of Philadelphia.

The narcotic unit is responsible for the suppression of the flow of narcotics in the city, detection and arrest of all persons who illegally possess, sell, distribute and manufacture dangerous drugs and narcotics regardless of the sophistication of the operation.

The Philadelphia Police Narcotic Unit is attacking the narcotics problem at various levels. The first level is the street where our responsibility is suppressing activity and availability making it difficult for dealers and pushers to operate in an open atmosphere, diminishing the opportunities for them to develop new users.

This level must also respond to complaints of private citizens that narcotics activity is flourishing in a specific house, neighborhood, school, park, wherever it might be.

Without this line of defense, the narcotics dealers would be able to push their wares more freely, creating an even larger problem than what already exists on the streets of any large city.

I would like to say something about street level enforcement. At the local picture, I would like to think this is one of the most important, because we get complaints from various citizens, people in the city of Philadelphia, whom we must service. A good percentage of our manpower must go to servicing these complaints. We have to keep the dealers, the pushers, off the street; we have to

suppress it. We have to keep it moving. We have to keep it from being so readily available.

The only way to do this is to enforce with manpower out on the street. We get complaints, we send them right out and try to service the complaint.

Of course, it is not going to do away with it. I am not going to minimize any other level; but this level locally is very important. Necessary. Or else the city would just run wild.

Our second level is aimed at large-scale dealers, distributors and manufacturers. This is accomplished by targeting these subjects and maintaining surveillances, obtaining high-level information, and employing investigative techniques on information that requires follow-up investigations.

Finally, the drug enforcement administration task force, in which there is a Philadelphia police lieutenant, police officers, and a detective assigned, with this attack focused on heroin and all midlevel drug traffickers and conspiracy-type investigations.

We lean heavily on this particular organization, the task force. I think they do a tremendous job. We have approximately 15 or 16 people detailed there, and I lean heavily on them in regard to information that they could supply me at our levels. We have good cooperation there.

It is important that we have a balance, a proper balance in the attack, on supply demand, prevention, and control.

One of the things that was brought to my attention was the growing concern regarding the increase in heroin in the United States, but at this time there is no indication of this by the seizures in the Philadelphia area.

However, there has been an increase of methamphetamine seizures in Philadelphia in the first 6 months of 1980. Its growing popularity is due to the availability due to the clandestine labs in and around the Philadelphia area and its low cost of manufacture.

Lines of communication between the Federal, State, and local agencies must remain open to be successful in the battle against dangerous drugs and narcotics. There must be complete cooperation, exchange of intelligence information, and the knowledge that a helping hand is always available in a situation where other agencies are better equipped or more able to pursue.

Mr. COUGHLIN. Thank you very much. I apologize for not being here at the start of this session of the panel. I would like to welcome you aboard. We are certainly glad to have you here. If any of the others on the panel have a statement they would like to make, they can proceed at this time.

Can you tell us something about your background?

Sergeant COLLISON. I am a detective sergeant with the Delaware State Police. We operate a strike force concept, whereas the State police, the county police, and various municipalities in the State have joined together with State funding to combat the problem. We do not at this time include the city of Wilmington. No officers from the city of Wilmington are in the task force. We have in the past worked a Federal strike force operation, whereas we had Federal funding and all agencies within the State were combined into one to combat the problem. We are not presently under that concept.

Sergeant ST. JOHN. I am a detective sergeant with the New Jersey State Police. I do not have a prepared statement at this time. I will be glad to try to answer any questions that the committee might have.

Mr. COUGHLIN. Corporal Bason?

Corporal BASON. I am a corporal in the Pennsylvania State Police. For the last 9 years I have been assigned to the division of drug law enforcement. The division is comprised of a total of 83 men covering the 67 counties of the Commonwealth. Presently I function with a 10-man detail in the five-county area outside of Philadelphia.

Mr. COUGHLIN. Let me start off by asking any of you to comment on this: Do you have any evidence of organized crime involved in the clandestine lab activity in Philadelphia or other States?

Captain SCAFIDI. The level of enforcement that we concern ourselves with I do not see any at the street level or the distribution level. However, we do have intelligence from the DEA task force which our department is part of that some of the people that have been picked out as lab operators have had organized crime—let us say that they have been associates of some of the people in organized crime; not directly involved with the organized crime community.

Mr. COUGHLIN. Does this particularly involve any crime family in the Philadelphia area that you are aware of?

Captain SCAFIDI. No, I do not know.

Mr. COUGHLIN. Have you seen any change since the death of Angelo Bruno?

Captain SCAFIDI. I think it is too early to say with regard to Angelo Bruno's death what changes have taken place. Information would indicate that there has been a new head of the organization, but I do not know this to be true as yet.

Mr. COUGHLIN. Are any other organizations involved in illicit production of methamphetamines to your knowledge? Is there traffic in other drugs as well?

Captain SCAFIDI. I know of no other organization at this time. You are referring to organizations such as the traditional organized crime people?

Mr. COUGHLIN. Right.

Captain SCAFIDI. None, other than what we already know about, the associates of organized crime individuals.

Mr. COUGHLIN. We had a witness this morning that indicated that he felt that there was involvement of organized crime in, particularly, the development of laboratories producing methamphetamines. There is nothing that you are aware of? You are not aware of that connection?

Captain SCAFIDI. No, sir.

Mr. COUGHLIN. I will yield to my colleague from Georgia and ask other questions later.

Mr. EVANS. Captain, how long have you been in your present capacity?

Captain SCAFIDI. About a month, sir.

Mr. EVANS. Where were you previously?

Captain SCAFIDI. I was in the major crimes division.

Mr. EVANS. Let me talk to the State officers for just a moment. Corporal Bason, you said you were one of the 87 people, is that correct, on a statewide basis in the drug community?

Corporal BASON. There are 83 members.

Mr. EVANS. Eighty-three members?

Corporal BASON. Yes, sir.

Mr. EVANS. That cover the entire State of Pennsylvania?

Corporal BASON. Yes, sir.

Mr. EVANS. That necessarily runs you a little short, does it not?

Corporal BASON. Yes, sir, it does.

Mr. EVANS. Do you feel like you have enough people to handle the job?

Corporal BASON. Well, not really. We are supplemented by men on the troop level doing narcotics work, with local police departments at times. Our division per se does not, in my opinion, have enough people to function.

Mr. EVANS. What kind of strike forces do you have where you have local, State, and Federal people involved? Do you have any kind of formal setup?

Corporal BASON. We worked part of the much mentioned operation in Delaware County against the Pagans. We had several of our people there. Depending upon the problem existing in a certain area, we will link up with local police and conduct an investigation. At the termination we withdraw our force and move to another area.

Mr. EVANS. Do you provide undercover agents to the local police at their request?

Corporal BASON. Yes, sir.

Mr. EVANS. Those undercover agents, do they come from the 83 people you have?

Corporal BASON. Yes, sir.

Mr. EVANS. So you are again somewhat limited as to what you can furnish?

Corporal BASON. Yes, we are.

Mr. EVANS. What kind of budget do you have for buy money?

Corporal BASON. Our fiscal year started July first. It is very difficult for me to say exactly what we will have this year. I have not been informed yet. It is in a state of flux.

Mr. EVANS. Do you find you have an insufficient amount to make significant buys?

Corporal BASON. We are confronted with that problem now.

Mr. EVANS. What kind of rules do you have on the use of this money by the local police?

Corporal BASON. Well, it becomes a question of determining whether or not it is a worthwhile case before we OK the expenditure.

Mr. EVANS. Well, is it a situation where they have to keep tabs of it rather than letting it go to set up a bigger buy?

Corporal BASON. Well, we do let it go, but we have to have a little discussion beforehand to see what we think the future of our investigation will be. If there is a possibility it can be continued further, we do let the money go.

Mr. EVANS. Can you realistically touch any of the kingpins with the kind of money you have available?

Corporal BASON. We have been successful in the area of clandestine lab investigations to a certain extent. From 1977 to the present time, our group operating outside of Philadelphia has been involved in the seizure of nine operational laboratories. We have accomplished some of that based on our own effort. Other times DEA has provided the lead. At times recently within this year we have established the lead ourselves outside the city and carried it into the Philadelphia Police Department resulting in the seizure of an operational laboratory.

Mr. EVANS. Do you feel like the jurisdictional problem is a serious problem for the local police to try to deal with a narcotics situation?

Corporal BASON. Yes, sir, it is.

Mr. EVANS. Are you the only agency in the State, State agency or local agency that has statewide jurisdiction?

Corporal BASON. No. The Pennsylvania Department of Justice has the Bureau of Drug Control.

Mr. EVANS. How many people are in that?

Corporal BASON. I believe it is about 125.

Mr. EVANS. Those people are assigned primarily to drug enforcement?

Corporal BASON. Yes. They do compliance; work on doctors, registrants, drugstores, they also do street type reinforcement as we do.

Mr. EVANS. So you have two statewide agencies really that are involved in drugs?

Corporal BASON. Yes, sir.

Mr. EVANS. Except there is generally more toward the licit drugs, illegal use of licit drugs?

Corporal BASON. They also have a complement to work on the illicit.

Mr. EVANS. Does your department work on any enforcement of illegal prescriptions for instance?

Corporal BASON. In the past we had been, yes. Currently we are not.

Mr. EVANS. When did this other unit come into existence?

Corporal BASON. They have been there a considerable length of time. It was formerly the department of health and then became the bureau of drug control.

Mr. EVANS. Do you have concurrent jurisdiction with them?

Corporal BASON. Yes, we do. Our efforts are coordinated by the head of the office of drug law enforcement in the commonwealth.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Mr. Walker?

Mr. WALKER. Thank you, Mr. Chairman.

I wonder if any of you are familiar with or can comment—Corporal, you mentioned you were part of the Delaware County operation. I am interested in the outlaw motorcycle gangs, whether you can comment on that? I am particularly interested to what extent you see them involved in methamphetamine trafficking in your original jurisdictional areas?

Corporal BASON. Well, we have one recent case where our information reveals they were responsible for the operation of a laboratory. Other than that, we have seen them primarily as the source,

the main source from the laboratory and not involved in the operation of the actual laboratory itself.

Mr. WALKER. You are saying that that would be the distribution chain?

Corporal BASON. Correct.

Mr. WALKER. Sergeant?

Sergeant St. JOHN. Yes. This morning I think there was an article in the Philadelphia Daily News concerning some activity, methamphetamine activity concerning the Pagans in southern New Jersey. It refers to, I believe, the Pagans and Warlocks in that article. In 1976, the New Jersey State Police conducted an electronics surveillance investigation on the Warlock headquarters in South Jersey. As a result of that investigation—the investigation dealt with the distribution of methamphetamine in South Jersey—as a result of that investigation approximately 30 members of the Warlock motorcycle gang were indicted, and as of, I believe, June of this year, the sentences of all the defendants were handed down. The majority of the defendants in the case opted for plea bargaining and were sentenced.

There is——

Mr. WALKER. How many convictions did you get out of that 30, including those that plea bargained?

Sergeant St. JOHN. Off the top of my head, Mr. Walker, I believe everybody that was indicted was convicted. How many custodial sentences were handed out, I am not aware of, sir.

Mr. WALKER. Thank you. Sir?

Sergeant COLLISON. We have a Pagan motorcycle gang in our area in the State of Delaware. They are certainly mobile. We find that they distribute practically all the methamphetamine in our State. In fact, the street word is if you do not sell Pagan dope or Pagan methamphetamine or crank, you do not sell it. I will go one step further.

A recent experience with one of their members who was wanted in our State for kidnap and robbery having to do with a bad deal was apprehended in the State of New Jersey in a very violent manner. There was a shootout. He served 3 years in our State. Just 3 months ago he was apprehended in the State of Florida by Florida law enforcement with 25,000 pounds of grass and \$111,000 in cash. This was a few months after his release from prison.

Mr. WALKER. Do I understand you to say that you believe about 100 percent of the methamphetamine distribution is controlled by the Pagans in Delaware?

Sergeant COLLISON. That has been the case, yes. Practically all the methamphetamine had been distributed by the Pagans. A recent development there seems to be we were getting quite a bit from Philadelphia from the black element and there may be cases it comes from the Black Muslim element. We are not sure of that at this time. That information is being discussed.

Captain SCAFFIDI. We are not experiencing any problems with the motorcycle gangs in Philadelphia in regards to narcotics activity. In the sixties and seventies they caused us problems but not with narcotics. At this time I would say no activity.

Mr. WALKER. Are you having problems with them in other areas?

Captain SCAFIDI. No. The gangs have since left Philadelphia. Not all of them, they have certainly decreased in number. The largest percentage of them have left and gone to surrounding counties, out to Marcus Hook. Right now the Warlocks are trying to enlist members to build it back up to its original strength. I know they had a strength at one time of about 85 or 90 people in the city, probably a little bit more. They are down to probably around 25 now.

Mr. WALKER. For the others of you, what would you estimate the strength of the Pagans and Warlocks in your particular areas to be? Membership strength?

Sergeant COLLISON. In our State the practicing members is probably in the area of 25. Now the associates and the tag alongs, probably go into maybe 200.

Sergeant St. JOHN. In New Jersey, sir, I would say the membership strength of the Pagans and what is left of the Warlocks, and we have a new splinter group of a motorcycle gang known as the Wheels of Soul showing a lot of activity in South Jersey, I would say collectively there may be 100 members with additional associates.

Mr. WALKER. Corporal?

Corporal BASON. I would say we have approximately 100 combined.

Mr. WALKER. In your five-county area?

Corporal BASON. That is correct.

Mr. WALKER. What do you see as the main problem for you as law enforcement officials?

Sergeant St. JOHN. Mr. Walker, speaking for the efforts on the New Jersey side, I think the penetration or the infiltration into the motorcycle culture itself presents the biggest problem to law enforcement officials, in attempting to identify techniques used by the motorcycle groups.

Mr. WALKER. The tightly knit organization? You cannot infiltrate them?

Sergeant St. JOHN. They have a reputation in the community to bring about a lot of violence on informers or supposed—potential informers. It is well known throughout the community that if you attempt to inform on a motorcycle gang, you are going to wind up banged up pretty good. That seems to be a frustration level that we have, trying to cultivate informers to come forth with information.

Mr. WALKER. Sir?

Sergeant COLLISON. I agree. I would go one step further. Law enforcement finds it almost impossible to infiltrate because the lifestyle of these people is so much different than that that is acceptable to law enforcement. It is difficult for us to put an officer into that organization and permit him to conduct the act and what have you that is required to become trusted by them or accepted by them. That has been extremely difficult.

Mr. WALKER. You have to have an officer committing crimes in order to be accepted by the group?

Sergeant COLLISON. Absolutely.

Corporal BASON. I concur with the opinions of the other officers here. To attempt to infiltrate I think is almost an impossibility. If

it was possible for an officer to accompany them, it would certainly be suicidal on his part if he was discovered.

Mr. WALKER. Thank you, Mr. Chairman.

Mr. COUGHLIN. I was interested in one of your comments. You said one of the main problems you have is a jurisdictional problem in terms of enforcement. Do you mean jurisdictional in terms of the State police versus the local jurisdictions?

Corporal BASON. I believe that question was brought as being directed at the local police problem. The State police—we travel from county to county, any place within the Commonwealth. At times we have crossed the State line, taking our leads from other agencies. In working with local police, they sometimes have to pull up at the municipal boundary. They do not have any jurisdiction next door.

Mr. COUGHLIN. You have problems with cooperation with local police?

Corporal BASON. No. It is not a problem with the cooperation.

Mr. COUGHLIN. You indicated that your buy money for this year is still subject to determination as well as the number of undercover agents that you will have?

Corporal BASON. I have been informed, yes. Our budget has been cut. Exactly what we have starting as of July first, I am uncertain.

Mr. COUGHLIN. Many of you cited that the bail and sentencing procedures related to drug offenses require or need modification. In your experience when you have gone through a lab, have you felt there were problems with having people out on bail and not returning? Is that a problem in your mind or not?

Sergeant Sr. JOHN. We find it a problem, Mr. Chairman. We have had cases where an investigation was conducted and a seizure of a substantial amount of methamphetamine was made; but in the process of suppression motions and delays in prosecution, sometimes the effect of the arrest is lost due to the fact the case is not presented to trial for maybe 3 or 4 years. In the interim, the defendants in that case still had the luxury of continuing in their illegal enterprises. I think if the judicial system could expedite its proceedings against methamphetamine traffickers, it would have an effect on these people.

Mr. COUGHLIN. Does the staff have any questions of this panel of witnesses?

Mr. STAREK. I have just one, Mr. Chairman. I would like to ask all of the witnesses to discuss the liaison that exists between their various forces as well as how well the DEA works with you and whether you consider the DEA's liaison to be helpful, adequate, and sufficient?

Captain SCAFIDI. As I said before in regard to the DEA, I think we have a fine liaison there. I think the cooperation and the exchange of the information from what I have seen at this time has helped us tremendously. As far as communication with the other surrounding counties, at this time I am a little displeased with some of the communications. I would like it to be a little bit better; and this is what I am presently working on. There are certain things in our department right now that are being changed; and I think it is important I know what goes on in the surrounding

counties and in New Jersey. I do not feel we are having enough communication and I plan to have a little bit more.

Mr. STAREK. Does the breakdown occur in intelligence sharing or in other areas?

Captain SCAFIDI. As far as intelligence is concerned, intelligence sharing from these communities, I depend heavily upon the DEA task force to get the information on what is going on there. I think we should have a better line of communication. I think perhaps some of the gentlemen here will agree with me.

Sergeant COLLISON. I can address our State. As I stated before, we are a task force concept where the—we only have one county with a police agency. We are working with them. We have all of us in the same office. Our liaison with the DEA is excellent. We have a DEA office in Wilmington, the northernmost city in the State. It is a two-man office. The rapport with that office has been excellent over the last 10 years. I could not ask for anything more. Our budget is minimal. We have \$20,000. As you can appreciate, we cannot buy much dope with \$20,000. We frequently go to the DEA and solicit funds from them. I would like to say that the funds we get from them come unattached. We explain the case to them; they come out and assist us, work with us. They give us the money with no holds attached.

Sergeant St. JOHN. In New Jersey, sir, we have a 60-man narcotic bureau with two regional offices, one located in Hackensack, N.J., for the northern counties and one located in Camden for the southernmost counties. There is a DEA office in Atlantic County. We have a liaison with the members of that office. We have a working cooperation, particularly when we are in the area of selective enforcement. I mean a group identified as major trafficking problem in an area. We have solicited and received financial funds and manpower assistance from the DEA.

Corporal BASON. In Pennsylvania we maintain a State police officer as a liaison officer in DEA headquarters in Pittsburgh and in Philadelphia. He is a member of the bureau of drug control. In addition to that, I think all our officers have excellent rapport with members of DEA. They assist us with information. They have assisted us when we needed money.

Mr. STAREK. Thank you.

Mr. COUGHLIN. I have one further question. Are any of you aware of any traditional organized crime involvement with the motorcycle gang method of operating these rings? Any connection with traditional organized crime and motorcycle operations?

Sergeant COLLISON. We have nothing to indicate that.

Sergeant St. JOHN. In New Jersey I can see a connection between the traditional organized crime operations and the operations of several outlaw motorcycle gangs in south Jersey. I think they have been—there has been a lot of testimony here today about the traditional association and the association of outlaw members to be—to partake in the illegal operations. I think traditional organized crime figures recognize the fact that outlaw motorcycle gangs are good enforcers and they can keep the illegal operations moving pretty good in an area.

Corporal BASON. I have no personal knowledge of a linkup. However, I concur with Sergeant St. John. It is as trooper Ellis stated

this morning, he sees the same type of connection where the motorcycle gangs were used as an enforcer for organized crime.

Mr. COUGHLIN. We thank each of you very, very much indeed for taking your time to come here. It has been very, very useful for us. We appreciate your testimony.

Our final panel, but by no means the least important, consists of Dr. Christopher D'Amada, the chief medical officer of the coordinating office for drug and alcohol abuse control programs in Philadelphia; Ian Lennox, executive vice president, Citizen's Crime Commission; a representative of HELP, Inc., Crisis Center; and finally Dr. Tully Speaker, a toxicologist at the Temple School of Pharmacy.

[Witnesses sworn.]

TESTIMONY OF DR. CHRISTOPHER D'AMANDA, CHIEF MEDICAL OFFICER, COORDINATING OFFICE FOR DRUG AND ALCOHOL ABUSE PROGRAMS

Mr. COUGHLIN. We appreciate having you here. You may proceed with your statement or summarize your statement which will be entered in the record. We will then have time for questions here.

Dr. D'Amada, would you like to proceed first?

[Dr. D'Amada's prepared statement appears on p. 128.]

Mr. D'AMANDA. I would be pleased to. Thank you very much. Mr. Chairman, members and guests of this hearing panel, it is with pleasure and appreciation that I address you this afternoon, pleasure that you have chosen Philadelphia as the site for these hearings and appreciation of your listening to my remarks on behalf of the community, especially as this term is taken to include issues of learning about and treating drug dependent persons. I work for the Health Department of the City of Philadelphia as the chief medical officer for the coordinating office for drug and alcohol abuse programs. Among other duties, it is the responsibility of this office to prepare the comprehensive plan for drug and alcohol abuse services for the city. This plan includes a wide contribution from the community of persons interested in this field, extensive review of a broad variety of secondary indicators of drug and alcohol abuse in the city, the allocation of moneys to support services for persons seeking treatment for this abuse, approval by our mayor's drug and alcohol executive commission and the Governor's council on drug and alcohol abuse, this last being the single-State agency for the Commonwealth of Pennsylvania. This hearing presents our office an important opportunity to learn about a little understood but clearly significant aspect of drug abuse in our city.

We have heard a considerable wealth of information and opinion from the community of law enforcement. At the risk of being considered presumptuous, and seeking to restore some qualitative balance to what is a manifestly slim quantitative base—eight panels from the legal perspective and one from the treatment side—I will suggest other communities of effort beyond the treatment system which are deserving of attention. The great challenge of human services in general, and the addiction services in particular, is the extraordinary interrelatedness of diverse professions and social agencies. My intent here is to suggest that no single community of however skilled practitioners can presume to do sufficient

battle against drug abuse in our country. We need to articulate in pragmatic terms the saying that the whole is greater than its parts, without falling before the criticism that too many cooks spoil the soup.

Let me start by urging a clear understanding of what is and what is not intended by programs and policies. An example: a great deal of attention has always been given the Federal funding criteria for treatment of drug users by administrators and staff of service programs. They have understood these to be minimal criteria and have, in my experience in this city and elsewhere, made every reasonable endeavor to extend both quality and quantity of services beyond these definitions of minimal acceptable standards. At this point the entire drug abuse service system of the Commonwealth of Pennsylvania is beleaguered by a decision made in the department of public welfare after interpreting the FFC as maximal criteria and establishing a set of regulations for reimbursable services inconsistent with proper care as it is now understood. In this city the estimate was made that close to \$1 million would be lost to the treatment system and would necessitate significant reductions in staff and services. Our programs and others are saved from this action currently because the DPW has been enjoined to show cause for its new regulations. Another example is found in the recent GAO report submitted to Congress on April 14, 1980, entitled "Action Needed To Improve Management and Effectiveness of Drug Abuse Treatment." An overdependence on the FFC led the authors to report suppositions and opinions as facts: no claim has been made by NIDA or others that these criteria will produce the desired results, they are operations guidelines, not statements of cause and effect. In neither instance did the agency in question understand the purpose or meaning of the FFC and were led, in their ignorance, to damaging and inappropriate conclusions.

The Social Services Act of 1972 established regional professional standards review organizations to provide oversight for moneys spent under titles V, XVIII, and XIX. By following a strict medical model for defining criteria for acute admissions, hospitals are denied reimbursement for a significant proportion of individuals needing inpatient care for drug and/or alcohol related emergencies. In meeting with the Philadelphia PSRO we have found that no criteria have been developed for them which correspond with standard concepts in the field for drug and alcohol abuse. We do not believe that the Philadelphia PSRO situation is unique.

There are other communities equally deserving of attention. One wonders by what conjurer's trick one opiate dependent adult male becomes a junkie and another opiate dependent adult male becomes an impaired physician. What are professional licensing bodies doing about their own house, now, especially, that prescription drug abuse is being more widely uncovered? In Mobile, Ala., an aggressive treatment program surveyed doctors, dentists, and pharmacists seeking information about drug abuse: Among the more interesting findings was the estimate by respondents that an average of 20 percent of their regular patients were abusing their prescribed medication. Of equal importance is the fact that pharmacists, the last legitimate interface between patient and drug,

had the highest estimate of 23.6 percent. Among the community of health care providers, pharmacists have received too little attention and are, obviously, in a position enabling significant impact on drug abuse in any community, given the support and attention such control would entail. In this city we are fortunate to have a pharmacy theft prevention committee, encouraged by the Drug Enforcement Administration as part of a community action approach to this problem: I have followed data from pharmacy thefts for several years and estimate that somewhere near half a million dollars in street value of drugs is stolen in any year. The mix of these legitimately manufactured drugs with products of clandestine laboratories further enriches the cornucopia of dangerous drugs on the street.

In February of this year our office sponsored a symposium entitled "The Woman Next Door" concerned with women abusers of prescription drugs and alcohol. A major outcome of this meeting was the description of women's service networks, developing in communities across the country and in many instances organizing into national associations. This outward reaching sophistication of the self-help movement should be followed and supported. Voluntarism and the energies developed in such local groups may well prove to be an essential component of a new and more responsive treatment system, balancing Federal direction with community initiative.

A further community to be responsive to is composed of scientists and researchers. As that is a hat I sometimes wear, I encourage your supporting the needs of accurate data gathering, most importantly, of data gathering at NIDA, the National Institute of Alcoholism and Alcohol Abuse and the National Institute of Mental Health. For reasons I have never heard adequately defended the recording of a client's census tract of residence is not permitted on the forms developed by each of those Institutes. With the availability of computer programs which provide any combination of national census variables matched to a tract number, the opportunity is at hand for any system or program to seek correlations among structural variables and social behavior. More generally, but probably more challenging, is the need for each of the Institutes to agree on some common core of data to be collected by all three so that appropriate, coordinated interpretation of their data systems could be forthcoming.

So be it for some of the communities, other than law enforcement, which have a role to play in describing, seeking to understand and to respond to the condition of dysfunctional drug use in our community. There are others, but I hope my point is made. We need to work together and to share information across the particular boundaries of our daily work as well as beyond the limits of our authority and responsibility. Where such capability does not exist, it must be established in a formal and lasting fashion.

The remaining speakers for this panel include Ms. Lonnie McDonald, a counselor at one of our treatment programs, who will tell of clinical problems associated with street drug use, and Dr. Tully Speaker, chairman of the Temple University Department of Medicinal Chemistry, School of Pharmacy. He will tell us of some

ways to reduce drug effects which do not depend on efforts at social control but do depend on sophisticated scientific investigation.

Thank you for this opportunity to share with you some community perspectives.

Mr. COUGHLIN. Thank you very much, doctor. Before proceeding, we welcome Dr. Speaker. I would like to swear him in as a witness as we have the others.

[Witness sworn.]

**TESTIMONY OF LONNIE McDONALD, REPRESENTATIVE OF
HELP, INC., CRISIS CENTER, PHILADELPHIA, PA.**

Mr. COUGHLIN. Proceed as you see fit.

Ms. McDONALD. I have no written statement. I just have a few things I would like to say. HELP, Inc. is unique in the fact we started out dealing with street people and street drugs. We work rock concerts and go into the schools separate from the school counselors, so that very young children come to us and know through the reputation we built over the years we do keep their confidentiality. Some of the stories I have heard and some of the techniques they taught me have been frightening. I work in junior high schools, starting with kids 10 and 11 years old. There is never a problem with them to get what they need, to get the money for what they need. To know what is happening on the street.

It is one of the reasons hospitals have called us, doctors have called us as to what is the new drug of the month that people are being brought in with.

It is difficult to do therapy with a lot of these people, especially kids that are brought in on probation. If they miss their appointment and you call the probation officers, there does not seem to be a lot of cooperation. The fine line, the funding that ends if they pass 18 and they are involved in alcohol as well as drugs, and it is frustrating. I do not think that half the people are really aware of the dangers we have today. Meth can be made all over. Anyone that has a fairly decent knowledge of chemistry or can read a book can manufacture drugs today; they can be made in anyone's home. PCP is a really dangerous drug. I do not see too much being done on treatment. We have people being sent to our agency from other mental health agencies because no one really knows. I would like to see a big push put on for education and treatment so that therapists, doctors, and hospital staff will know what is happening with street drugs today. They change from one day to the next. The meth can be rose colored one day and gray the next. It depends on what they are making in their homes.

Mr. COUGHLIN. Thank you very much.

Dr. Speaker.

**TESTIMONY OF DR. TULLY SPEAKER, TOXICOLOGIST, TEMPLE
SCHOOL OF PHARMACY**

Dr. SPEAKER. Good afternoon. Good early evening, I guess.

As a person who teaches about the abuse of drugs, I pay attention to the variety of drugs that are currently in use and am aware of the changes in drug frequency of encounter and reporting. One of the kind of indicators that I follow is the drug abuse warning network quarterly report, the so-called DAWN report. This is com-

piled by DEA and comes out quarterly. It is, to use the economic analogy, a trailing indicator because it is typically three-quarters of a year out of date; but nonetheless, it is an indicator reporting the number of instances in which drugs are reported at emergency rooms or by medical examiners in the area; and, therefore, it serves as a kind of index of the minimum extent of drug utilization of any given kind.

If one looks at that, one notes that over the last, let us say, 2½ years the number of emergency-room reports has changed, so that use of heroin and morphine is down by maybe 50 percent as compared with 2½ years ago. The use of barbiturates is about the same as it was over the last 2½ years. The use of cocaine is up by maybe 100 percent. Amphetamines, using data that is perhaps 1 year old, is up by 50 percent. The use of phencyclidine is up by 50 percent. Those are substantial changes. They are, as I say, trailing indicators.

The emergency room reports are generally based on what the patient or the patient's friends believe has been taken. The person has bought on the street or somewhere else a material which is labeled amphetamine or methamphetamine or PCP or what have you and takes it for recreation or other purposes; and winds up hospitalized believing that he or she has taken amphetamine or methamphetamine or something of that sort, but not necessarily is that the case.

For example, in the Philadelphia area, in the last year and a half, data up through June of this year indicate that purported cocaine has been found to contain benzocaine, a common ingredient in local anesthetic lozenges and the like; procaine, a local anesthetic again; and caffeine, sometimes with and sometimes without cocaine.

Purported cocaine has been found to contain procaine, again the local anesthetic, tetracaine, another local anesthetic—both of which in high doses are convulsive drugs—and caffeine, again with and without cocaine.

In other instances, that which has been sold as cocaine and which the patient has ingested believing it was cocaine has turned out to be methamphetamine or lidocaine, sometimes with cocaine. Certainly not all the cocaine on the street is cocaine.

Purported Quaaludes, methaqualones, have been found to contain diazepam or aspirin or diphenhydramine, a common antihistamine, or amitriptyline, an antidepressant, instead of methaqualone, and in high doses all of those are disorienting, thus, the user of these recreational drugs gets a drug effect, but not that which is desired.

Thus, when a person shows up in an emergency room saying I have taken cocaine or Quaalude or what have you, the therapy that is initiated may be inappropriate to the drug that was taken. This certainly complicates the management of the health of people who are using and abusing drugs.

There is no suggestion that there is an attempt to maintain even identity control. The remarks I heard a moment ago about quality control are absolutely beside the point, because not the quality of the drug is in question, but its fundamental identity.

Well, what I have been talking from are emergency-room reports of what the patient believed was taken. A more exact set of data can be drawn from the medical examiner's reports. The medical examiner's reports in all instances report the drugs that are found in post-mortem specimens. There is adequate time for analysis and confirmation of the identity of drugs found post-mortem. If one considers only amphetamines and those of that class of drugs, only amphetamine and methamphetamine and not all the related substances—phenmetrazine, phentolamine, half a dozen other amphetamine-like substances—if one sets those aside and looks only at post-mortem cases for the presence of amphetamine, or methamphetamine, over the last decade, one sees that in 1970-71, that fiscal year, there were in the city of Philadelphia seven such findings. Some of those findings were in cases where the deceased was engaged in a gunfight or in a knife fight or in some other kind of a fight, and so got dead somehow, but got dead containing, having in his tissues or her tissues amphetamine or methamphetamine. By 1973-74, the number of instances in which amphetamine or methamphetamine was found jumped to 40 cases.

In 1978-79, last year, there were 60 cases. In this year, in fiscal year 1979-80, ending June 30, there were 112 cases of people who were dead with amphetamine or methamphetamine found and confirmed in their tissues. That is a jump of over 1,000 percent from a decade ago. These are only the people who wind up dead. There are lots of people who do not wind up dead as a function of taking amphetamine or methamphetamine or any of a number of other drugs.

Well, amphetamine and methamphetamine, I understand, are the principal interests of this subcommittee. My own interest is closely related to that, but I have been following the drug phencyclidine with greater interest because phencyclidine poses some substantial problems in that the persistence of the effect of phencyclidine, more commonly known as PCP, is long. A person takes a dose and expects to be over the effects of that dose in a day; but sometimes—and for reasons we do not well understand yet—the effect of that dose persists for a week or in some instances 10 days or 2 weeks. We do not understand why. We are beginning to. But we do not understand entirely why that drug persists so long.

My own interest being that, my own graduate students have begun to look for antidotes to PCP. We are hoping to find materials which will bind to the same receptors as PCP does but which will be devoid of activity and which, therefore, can displace the PCP, so the hospitalized patient who is suffering the effects of PCP can be purged of PCP rapidly by displacing it with an inactive analog. We certainly know how to make many more analogs of phencyclidine. What we are hoping to do now is make less active or inactive antagonists of phencyclidine. That is the direction that I think is a reasonable way to go.

In general, what can we do, as a nation, to control drug abuse? Well, we can control the raw materials by monitoring who buys them and who sells them and where they are delivered and where they are stored. But we do that already.

We can restrict drugs, but that is certainly clearly done. The laws are almost entangling for the honest person. Curiously the

dishonest person is not particularly troubled by that. We can increase the penalties. I guess that has been done, too.

I have no wisdom to give you as to what to do, but clearly the situation is serious enough that we have a major problem with phencyclidine and amphetamines and a bunch of other drugs, too.

If you have questions, I would be happy to respond to them.

Mr. COUGHLIN. Thank you very much, Dr. Speaker. Why do we not have the statement of the final witness and then we will question all the witnesses.

Mr. COUGHLIN. Mr. Lennox, we appreciate your being here, and we will let you proceed as you see fit.

**TESTIMONY OF IAN H. LENNOX, EXECUTIVE VICE PRESIDENT,
CITIZEN'S CRIME COMMISSION OF PHILADELPHIA**

Mr. LENNOX. Mr. Chairman, members of the Select Committee, it is late in the day. You have my prepared statement. I will not read it at this time.

[Mr. Lennox's prepared statement appears on p. 133.]

We appreciate the Select Committee's coming here today focusing on what we believe is the very serious problem of drug and narcotics trafficking, in the Philadelphia area.

We first became involved with this problem a few years ago when we worked with Delaware County District Attorney Frank Hazel in dealing with the Pagan motorcycle gang. The solution was a task force approach involving the Federal Government. We are now proposing in the Philadelphia area a task force approach with the district attorney and the Philadelphia Police Department. This is in response to statements that we can expect increased heroin traffic in Philadelphia. Rather than reacting to a situation once it is an accomplished fact we are acting now.

I will be happy to answer any questions. Again, I would like to express the appreciation of the business and professional community, that you have taken the time to come here and address this very serious problem.

Mr. COUGHLIN. Thank you.

Do you have any questions, Mr. Evans?

Mr. EVANS. I have some questions for Ms. McDonald and Dr. Speaker regarding the percentage if any of the people you were treating or the deaths that resulted which resulted because of the impurities contained in the artificially manufactured drug that we are discussing.

Ms. McDONALD. I received a call maybe 2 or 3 months ago from a young man who was a client of my office for the third or fourth time, which may not say too much for my therapy, but I am keeping him alive. He said to me, "If you have anybody who is doing meth, tell them to be careful, we are cutting it with arsenic."

Over the following week or two in the newspaper there were several mentions of people brought into the hospitals with arsenic poisoning. The meth passed through the system. The arsenic built up.

It is difficult to control; and if you are lucky and you are in a situation where people will feed you information, because they know what you are going to do with it, you can try to save some lives.

Dr. SPEAKER. May I respond to the other half of that?

Mr. EVANS. Yes.

Dr. SPEAKER. In general the diluents, the fillers—the fillers and the substituted drugs are not the principal cause of death as compared with the major component of the drugs that are used. The alternatives are usually used in a mixture, and there is less of each. Their combined pharmacologic effects tend to be similar to but not necessarily identical to the intended drug; and the overall effect is certainly not that they markedly increase the hazard as compared to pure cocaine, pure heroin, pure methamphetamine.

Mr. EVANS. You are saying a dirty drug or an impure drug, an impure methamphetamine is no more harmful than the drug in its purer form or without the—

Dr. SPEAKER. It is sort of a percentage situation. Certainly if the drug is diluted with arsenic, as this example, it is certainly far more dangerous; but in general it is not remarkably more dangerous. On a milligram-per-kilogram basis, arsenic—no, cyanide and amphetamine are almost identical in their toxicity; and so substituting caffeine, substituting an antihistamine decreases, in general, the overall potency of these drugs; and to the extent that relatively inert diluents or less effective diluents are used, the potency of these drugs drops.

Mr. EVANS. You mentioned that heroin and—what was it, not cocaine but—

Dr. SPEAKER. Codeine?

Mr. EVANS. No. You were talking about these drugs were not nearly as much in use any more.

Dr. SPEAKER. Oh, yes. The statistics in Philadelphia suggest that there are fewer heroin doses reported in emergency rooms and that barbiturates are staying at about the same frequency of overdose reporting.

Mr. EVANS. The increase is in the methamphetamines and amphetamines?

Dr. SPEAKER. Yes, and cocaine.

Mr. EVANS. And PCP. What is the incidence of PCP use?

Dr. SPEAKER. The DAWN data on that are that there are approximately 10 overdose situations each month, but that is data that is approximately 1 year old. There were typically 10 cases per month a year ago.

Dr. D'Amada.

Dr. D'AMANDA. I wanted to add to Dr. Speaker's data based on some work that I do with a group that was developed by Dr. DuPont several years ago out of NIDA called the Community Correspondence Group. We meet in a sense to try to be a pre-DAWN DAWN. We follow indicators of drug abuse in, at this point, 17 metropolitan centers on a semi-annual basis. I just came from a meeting that we held in Washington in June and have some of the indicators that we follow—or at least that I follow specifically—that don't depend on the kinds of delays Dr. Speaker was talking about, because basically they are personally pursued through the indicator systems that we follow in our office.

Around the PCP, down for 1979, the increase—the report for this city, these are data—one of the problems with DAWN is that it reports data on a standard metropolitan statistical area. We are

concerned in this instance—at least I am primarily concerned just with the city of Philadelphia. The figures I give you are disaggregated for that.

The PCP mentioned in 1978 were 67, showing a significant increase. The heroin, morphine picture is a little difficult, because as Dr. Speaker said, there is no question that we are seeing less numbers of people coming into treatment who have heroin as a primary drug abuse and we are seeing less mention over the long haul of people coming to emergency rooms with heroin or morphine episodes.

However, if one looks in the short span of the last 6 months of 1979 or the first 6 months of 1979 to the most recent 6 months of 1979, there is an increase in heroin use. It is an increase among younger users. There has been a plateau in the past of users in the 26 to 30 year old age group, but the increase that is being seen—and we checked that by following the age of first use of heroin, which is data we get from the equivalent in Philadelphia or Pennsylvania of the Federal system—we detect how old these people are when they come in for treatment.

The users are younger. The major change has been both in the treatment system where we record primary drug of abuse and also in the emergency room that Dr. Speaker spoke of, the increase of amphetamines.

Amphetamines have increased by over 400 percent in that 3-year period among admissions to treatment, claimed as primary drug of abuse.

We also are seeing—and I would second his observations—the medical examiner data. Amphetamines and methamphetamines are being seen as the sole drug in postmortem examinations. Before they were frequently found with a mixed variety of drugs. There is no way of knowing where they come from—clandestine laboratories or legitimate sources.

Mr. EVANS. What is the age of the heroin user?

Dr. D'AMANDA. The biggest increase is in the 16- to 20-year-old group.

Mr. EVANS. Is that any special socioeconomic group or is it widespread?

Dr. D'AMANDA. I can't answer that.

Mr. EVANS. You don't have those statistics?

Dr. D'AMANDA. No.

Mr. EVANS. I would like to ask Ms. McDonald, in dealing with the patients you deal with, what are the youngest ages you are dealing with, and what is the primary drug of abuse you are dealing with?

Ms. McDONALD. I start at about 9 with the marihuana, and what they believe to be cocaine, and I have had children bring me in things that we have had analyzed that were anything. And then there is around 11 years old I have a lot of people experimenting with LSD. I have it in junior high schools.

Somewhere around that time amphetamines come into the picture, too. It is because a lot of times they smoke grass, they have been up, they have to get to school, to party all night, something like that. To go from the down, the lethargy, they take something to pick them up.

Mr. EVANS. Are you being affected at all in your program by the reduction in funding?

Ms. McDONALD. Definitely. We at one time maintained a 7-day-a-week, 24-hour hotline where we did drug identification, where people could call and say my buddy has just taken this, and this is how he is responding, what should I do? Over a period of time we built up a degree of trust with these people that called. Maybe they were on a speed rap. They had taken amphetamine and had to have somebody to talk to all night long. Eventually they would hook up with a therapist, a counselor to a point where you could get them and say why don't you come in, let's talk about this, we know each other by first names. We were able to get them in.

The cuts in funding have made our hotline disappear. The amount of therapists, the amount of hours, the cuts in the DPA as to the amount of time you could see people. I am seeing a woman right now who has done 7 years of PCP, and we have had her clean for 4 months. I see her twice a week. I would like to see her four times a week. It has been a difficult case. She came to me from a community mental health agency where she tried to kill herself three or four times.

We have a theory that PCP stores itself in the base of the spine and gets released periodically. If it gets released at one of these periods when you are taking it again, you have no way of knowing the dosage. The cuts in funding have hurt.

Mr. EVANS. One last question, Mr. Chairman.

Dealing with the younger people, do you have any idea of why they take the drug? Do you get reports as to why they first get started on marihuana, for instance?

Ms. McDONALD. I am seeing a very interesting, peculiar, frightening situation now. A lot of children smoking at home with their parents.

Mr. EVANS. Is that right?

Ms. McDONALD. The parents came through the drug culture of the sixties. Now they have children. It is much like the parent who would offer their child a drink in the house because they don't want them going out in the street and getting drunk. They know it is there. They are rather afraid of what the children are going to take. In their reasoning, it is safer to have them do it here in the house.

They get it from older brothers who think it is funny, cousins, uncles, money to buy. The pills start shortly after the grass.

I go into areas, alternative schools where the children are a little more in tune, the select group. I go into schools in the black areas where I am dealing with a different element. It is very very much the same. It is starting in the home.

Mr. EVANS. Have you talked to any of these parents?

Ms. McDONALD. No, I can't. I am under confidentiality with the students. It is more important for me—if I speak to one, I lose them all. This way, I have a chance at least, if I can't stop them, of giving them information as to what they are doing to themselves and hoping that they will be able to assimilate some of the information and make an intelligent decision.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. COUGHLIN. Could I just piggyback on Congressman Evans' question a little bit? You mentioned the increase in the use of both PCP and amphetamines as opposed to the more traditional non-manufactured, I guess you could call it, type of drugs. What are the comparative dangers of PCP and amphetamines both compared to each other, and compared to the more traditional drugs like cocaine, for instance?

Dr. SPEAKER. The major hazard for the user for both amphetamines and phencyclidine is a long-term psychological change, a pathological deterioration of mental capacity. There are a number of effects seen with the phencyclidine that are not paralleled with the other drugs. There is, for instance, a very characteristic and yet unexplained wasting of muscle tissue so the chronic phencyclidine user looks gaunt, looks emaciated, sunken cheek, and staring of eye, with a curious wandering of the eye called strabismus. The long-term amphetamine user or methamphetamine user similarly can develop a psychosis, an amphetamine psychosis which is a well characterized kind of mental aberration.

By contrast, heroin, morphine is a major depressant for the central nervous system and a very rapidly acting one. Most people who overdose on heroin or morphine and related opiates wind up with a progressive depression of the central nervous system such that the respiratory center, the almost automatic control of respiration is depressed and the person no longer begins to breathe.

They accumulate carbon dioxide and their chemical sensors do not say get rid of carbon dioxide by breathing out and breathing in and the person dies of respiratory depression. This is complicated with most opiates by the development of a frothy mucus which fills the lungs and fills the airway, and so the person very often drowns or nearly drowns in a foam of mucus which certainly complicates respiratory depression and makes it essentially impossible for the person to breathe. They die of asphyxia, of anoxia, of respiratory depression.

Mr. COUGHLIN. You are saying that in their own way, although they have a different result, the amphetamines, the methamphetamines are equally as dangerous as the opiates?

Dr. SPEAKER. Well, the person who is abusing heroin is likely to die fairly promptly. The person who is using amphetamines and phencyclidine is likely to keep on living as some kind of altered being with not the ordinary kind of orientation. Their persistence in living amounts to putting a burden on the rest of society.

The heroin abuser is self-limiting. It is a kind of process of natural selection if you look at it in the most detached form. The heroin abusers kill themselves fairly rapidly. The amphetamine and PCP abusers will eventually kill themselves. The amphetamine abusers tend to be extremely violent, tend to be asocial, tend to be highly prone to fight, and they may injure many other people before they kill themselves by speeding on a motorcycle or any other way.

Mr. COUGHLIN. Ms. McDonald, can I ask in terms of trying to help an amphetamine user, is there a difference in the way you try to help them from the way you would try to help someone on cocaine or some other—

Ms. McDONALD. Yes, I think so. Because the cocaine user in our agency, what we have found is the cocaine user that would come in is someone that uses this for a party, a lift, a weekend high, and the amphetamine abuser gets up and starts his day and keeps going. Plus the fact, I think, that just the mere price, you know. The fact that cocaine is so expensive, and the area that we deal in puts some restrictions on it, where people can get amphetamines relatively inexpensively. I have had people that come in boasting that they have been up for 60 hours without sleep. They keep popping their little pills. That is what we have found in our area.

Mr. COUGHLIN. Mr. Walker.

Mr. WALKER. Thank you, Mr. Chairman.

I would like to just direct a comment to Mr. Lennox with regard to his written testimony. I am glad it is going to be made a part of the permanent record of the hearing. I think you outlined here in some detail and some excellent detail, the campaign that was done against the Pagans in Delaware County that has been referred to so often in the course of the hearing today. I think you give us a pretty good overview of what at least one area did to deal with that very serious situation.

You make a comment on page 6 of your written testimony that I thought was worth a comment, where you say, "coincidentally, or perhaps as a result of the high level of outlaw activity in southeastern Pennsylvania, this area has achieved the dubious distinction of being the 'speed capital of the world.'"

Is that an implication that perhaps the intensity of the work done on outlaw motorcycle gangs has tended to highlight the methamphetamine problem or simply that the methamphetamine is there and the outlaw motorcycle gangs were simply responding to it? What kind of correlation are you talking about there?

Mr. LENNOX. Well, I think part of it has been because of the publicity attached to it, and that was a deliberate effort on our part. It began with Jim Nicholson, the Bulletin writer who very courageously identified the Pagans moving into Marcus Hook when the rest of us were not even aware it was being done. In the course of his series of articles he identified some of the illegal activities they were involved in.

When we picked that up, we tried to highlight the fact of those crimes that would captivate the public and get the public aroused. So there was an effort here to stress the fact of their drug involvement. Also at the same time, Delaware County really began experiencing a great deal of methamphetamine, PCP use among the young people, the various shopping malls and so forth had some serious cases develop there. Those were highlighted, too, as examples of what would happen when you allow this clandestine kind of activity to go on unattacked.

So I think part of it was due to the fact that a great deal of publicity was had. People began talking about these drugs, what was being done, urging officials to react to them.

The fact that has been mentioned by many people here today, the ease with which they are produced. I spent the last few days—unrelated to this testimony—but I had known that in rural Bucks County it is very easy to locate these labs, and so I coupled one of my hobbies of bike riding with traveling over some of these back

roads. If you didn't know what you were looking for, and the smell was not there, the hospital, antiseptic type of smell, you would never find these things.

It is an ideal situation, the location of these labs. I think as they were driven out of Delaware County they moved up into these other areas. I think we have evidence here of an increased use as well as simply greater publicity.

Mr. WALKER. That is all the questions I have, Mr. Chairman.

Mr. COUGHLIN. Does the staff have any questions?

Mr. Carpentier?

Mr. CARPENTIER. I have just wanted to note, Dr. D'Amanda, you express concern as to the lack of data that NIDA and some of the other agencies have and how important accurate data is. This has been a concern of the committee and the staff has initiated a major study into the methodology used as to the compilation of data that NIDA uses to try to get a better, both in terms of accuracy and timeliness, especially in terms of the DAWN data.

Whenever the publications do come out, they are a year and a half—in fact, they reflect 1977 now, and that is based on 1976 compilations. You are always well behind the curve. I did want to assure you that we are mindful of that. We are pursuing a study which we trust will be helpful in assisting the committee in determining what alternative methods may be used by NIDA and other agencies in compiling data.

Thank you very much, Mr. Chairman.

Mr. COUGHLIN. I want to thank the panel. I can't close these hearings without again thanking the staff of the committee, which has done an outstanding job in putting all this together. Mr. Carpentier, Mr. Peplow, Mr. Starek—we appreciate Ms. Pope coming along, and Ms. Freelin from my office, and Lou Williams, who as always, organizes the hearings beautifully.

Bob, who helped with the press relations here, and we all appreciate the work you have done.

I hope and would like to think that this has been—I know it has been productive for us, I would like to think it has been productive for the country as a whole. As we go into a newer era of drug abuse, into the manufactured drugs which are centered significantly in this area, we are into a new phase of mind altering substances, as legislators, we are not as fully cognizant of these new drugs. I suspect we are not cognizant of in terms of treatment, in terms of education, in terms of all the things that go with that and all the things that are of concern to this committee.

So we are grateful to you and grateful to the staff. Thank you very much indeed.

Unless there are further questions or comments, the hearing will be adjourned.

[Whereupon, at 5:30 p.m., the committee was adjourned, subject to the call of the Chair.]

**PREPARED STATEMENT OF JOHN WILDER, SPECIAL-AGENT-IN-CHARGE, PHILADELPHIA
DISTRICT OFFICE, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF
JUSTICE**

Good day, Mr. Chairman. On behalf of the Drug Enforcement Administration, I would like to welcome the House Select Committee on Narcotics Abuse and Control to Philadelphia. I am pleased to be here today to represent DEA in this important examination of the clandestine manufacture of dangerous drugs. This problem is not confined to a particular age group, ethnic group, or geographic area. Rather, the abuse of clandestinely-manufactured illicit drugs is a problem of national proportions. The problem is, perhaps, more pervasive in this area than in many others. Thus, the hearing today is very appropriately held here.

Nationally, there was a 23 percent increase in the number of laboratory seizures from 1978 to 1979, when 237 clandestine laboratories were seized by law enforcement authorities. The increase in laboratory seizures from 1975 to 1979 is even more staggering--up 700 percent. Clandestine laboratory activity in 1979 was markedly different from prior years. From 1975 to 1978, phencyclidine (PCP) was the predominant drug produced. In 1979, however, methamphetamine became the leading clandestinely-produced drug.

DEA documented 299 illicit methamphetamine and 45 illicit amphetamine laboratories that were seized during 1975 through 1979. More importantly, there were 137 illicit methamphetamine laboratories seized during this last year in contrast to the 11 seized in 1975. This represents a 1,200 percent increase and is even far more alarming if you consider that DEA

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enforcement efforts obviously cannot neutralize 100 percent of the illicit laboratories in operation.

There are no universal characteristics regarding laboratory operations. The size of the laboratories ranges from small operations where only minimal amounts of chemicals, glassware, and finished products are available to highly sophisticated facilities operated by major distribution organizations. The predominant location of clandestine laboratories seized by DEA continues to be in private residences or apartments. A few laboratories were located in mobile homes or van-type trucks, which could be moved to avoid detection. Although clandestine laboratories located in licit facilities, such as college laboratories or industrial plants have been highlighted by the media; in fact, there are relatively few of these laboratories because of the lack of privacy and the attendant high risk of discovery.

In the early 1960's, illicit methamphetamine laboratories first began to appear in the Delaware Valley--Philadelphia and the surrounding counties in Pennsylvania, New Jersey and Delaware. The laboratories cropped up to respond to the market for amphetamines which had been established for which was curtailed as a result of Federal controls on the diversion of licitly manufactured amphetamines.

The relative ease of manufacture and the availability of precursor chemicals opened the door to individuals with little or no chemical background.

The street wholesale price of methamphetamine powder increased ten-fold from 1965 to 1975, which was an additional incentive for traffickers to establish clandestine laboratories.

Furthermore, the recidivism among convicted chemists contributed to the problem. Previously convicted chemists often have been found to be right back in business following their release from incarceration if, in fact, they received a prison sentence at all. Methamphetamine chemists rarely serve more than a two or three year sentence. In a recent investigation, a convicted chemist came back to Philadelphia on a weekend furlough from prison and not only manufactured methamphetamine, but also taught a confederate how to manufacture the drug.

Methamphetamine, with its debilitating psychological or physiological effects, is a well-documented menace. What the communities often fail to recognize is that in addition to the drug itself, the laboratories are a threat. We know of a number of instances where these laboratories have blown up or have caught fire. Some of the chemicals utilized in methamphetamine production are extremely flammable. Where these clandestine laboratories are located in areas of human habitation, the dangers are substantial.

Traditionally, DEA's enforcement program has relied heavily on cooperation and exchange of intelligence with state, county, and local enforcement

entities to locate laboratories and to arrest the operators. As the clandestine manufacturing problem accelerated in Philadelphia (and around the nation as a whole), DEA intensified its enforcement activities against methamphetamine traffickers. That program continues today and remains an important element in our overall enforcement approach. DEA also developed another facet to its assault on clandestine drug manufacturers--liaison with the chemical companies from which the laboratory operators were buying their equipment and precursor chemicals.

The Precursor Liaison Program, begun several years ago, is an effective investigative aid used to discover clandestine laboratories. This program involves the voluntary cooperation between DEA and the producers and distributors of chemicals used in the manufacture of controlled substances. The foundation of this program rests with the Special Agents who contact the chemical industry and advise them of the substances of interest to clandestine manufacturers and of the techniques utilized by these individuals. Most chemical companies are now aware of which chemicals are necessary to manufacture various controlled substances. Because of statutory requirements, professional business ethics, and social concern, the firms voluntarily report any abnormal or suspicious purchases of those chemicals to DEA. I cannot stress too strongly that the cooperation of the large manufacturers and distributors in the chemical industry has been excellent.

The clandestine laboratory seizure statistics for 1979 reflect the degree of importance that the chemical industry plays in DEA's effort to control

the clandestine manufacture of controlled substances. Chemical firms supplied DEA with investigative leads in approximately 40 percent of the cases which resulted in the seizure of a laboratory. The criminal element is very aware of the success of this program. In fact, in order to avoid arousing suspicion, the more sophisticated illicit manufacturers have used legitimate corporations as fronts to purchase the chemicals or, in a number of cases, dummy corporations have been established to buy the chemicals. On behalf of DEA, I would like to take this opportunity to publically express our gratitude to the chemical companies for their assistance with the Precursor Liaison Program.

Ironically, DEA faces several problems resulting from the success of its domestic Precursor Liaison Program. Analysis of a few of the laboratories seized last year revealed that foreign chemical companies were used to purchase the precursor chemicals. In many cases, the foreign firms are not violating their own country's law by selling precursors to U.S. firms or individuals. In order to address this situation before it becomes a serious problem, DEA has assigned one compliance investigator to Western Europe and another to Mexico to establish precursor liaison programs.

Despite the excellent cooperation from the chemical and equipment firms and the coordinated efforts of the law enforcement community in the Delaware Valley, the illicit manufacture of methamphetamine continues. DEA's investigations of seized clandestine methamphetamine laboratories

revealed that at least three out of four purchases or used the precursor phenylacetone (P-2-P) phenyl-2-propanone) in one of two synthetic methamphetamine manufacturing processes. Consequently, DEA placed this substance in Schedule II of the Controlled Substances Act, effective February 11, 1980. This control has had the very positive effect of eliminating the opportunity for many laboratory operators and would-be laboratory operators. Having taken this action, DEA can reasonably anticipate that the number of clandestine methamphetamine laboratories will decline in 1980 and 1981.

However, the more sophisticated clandestine manufacturers had already anticipated a shortage of this precursor and thus established clandestine laboratories to manufacture this substance, or arranged for the smuggling of phenylacetone from countries where it is not controlled. This alone has not been enough and because the very effectiveness of our Precursor Liaison Program had already cut into the available supply of phenylacetone, a black-market was established.

That black-market continues to thrive today, primarily because illicit manufacture of methamphetamine is a very lucrative business. For example, a 55 gallon drum of phenylacetone can wholesale on the black-market for between a quarter and half million dollars. Approximately 400 pounds of methamphetamine can be manufactured from such a drum, and each pound of methamphetamine would wholesale out of the laboratory for \$10,000 a pound. Thus, you can see how the initial investment in a drum of phenylacetone

can be parlayed into \$1 million worth of methamphetamine at the base wholesale level.

Given the high profits involved, it is no coincidence that elements of traditional organized crime have infiltrated the upper echelons of methamphetamine trafficking. Today, DEA considers organized crime to be a dominant, if not the dominant, factor in clandestine methamphetamine laboratories in the Philadelphia area. In several recent cases, organized crime figures have been convicted of financing laboratories and setting them up.

One particular type of organized crime group, the outlaw motorcycle gang, is very much involved in the illicit production and distribution of controlled substances. Eight of the 237 clandestine laboratories seized in the United States during 1979 were known to be directly controlled by outlaw motorcycle gangs. This figure, however, does not truly reflect the importance of the outlaw gangs trafficking in dangerous drugs, particularly methamphetamine. Recent intelligence indicates that from 10 to 50 percent of the clandestine U.S. methamphetamine production is controlled by outlaw gangs.

Although I have directed most of my comments to the illicit methamphetamine situation, I do not mean to imply that there are not other types of clandestine laboratories in the Philadelphia area or that we are not concerned about the other clandestine laboratories. Within the last three years, methaqualone, PCP, MA, and DET laboratories have been seized in this area. However, the number of methamphetamine laboratories seized has exceeded the combined number of all other illicit laboratories seized.

Mr. Chairman, that concludes my formal remarks about the general situation regarding the illicit production of controlled substances in this area. On behalf of the Drug Enforcement Administration, I would like to thank you for the Committee's interest in this important facet of drug abuse.

PREPARED STATEMENT OF PETER F. VAIRA, UNITED STATES ATTORNEY, EASTERN
DISTRICT OF PENNSYLVANIA

Methamphetamine prosecutions are the bulk of the narcotics cases brought in the Eastern District of Pennsylvania. These prosecutions have been the majority of our caseload for the last four years. Most Class I violators who have been convicted in this area have all been convicted of distributing or possession of methamphetamine. Unofficially, Philadelphia is known as the meth capital of the United States.

There have been several reasons given for the large methamphetamine concentration in this area. There are a large number of chemical supply houses located in this area. Historically, the methamphetamine business began in Philadelphia. It has continued throughout the years. Philadelphia is surrounded by wide expanses of open farm land in which methamphetamine labs can be operated in old farm houses without being discovered.

Methamphetamine is to the Philadelphia area what heroin is to other large metropolitan cities.

Philadelphia is not a heroin source city. There is not a large supply of heroin coming into this particular

city for redistribution. Most of the heroin transactions are very insignificant.

The methamphetamine prosecutions almost always have been brought on a conspiracy theory in order to include all the participants. In most cases, the conspiracy is rather large and complex. Methamphetamine conspiracies usually comprise three separate levels. On the first level are the individuals who buy the precursor chemicals. The second level is the actual lab operation in which the individuals use the precursor chemicals to manufacture the methamphetamine. The third level is the distribution of the methamphetamine. The investigations involving these cases are very complex because they require the agents to do a great deal of investigation regarding the purchase of the precursor chemicals. Agents must search through chemical company records to discover chemicals being purchased by persons who have no industrial use for them. They must then locate the laboratories. Thereafter, they must follow the distribution at the street level. This particular type of investigation is not the normal "buy/bust" situation that one finds in the traditional

narcotics operation. It requires specially trained agents searching through books and records, very sophisticated surveillance operations to trace the persons to the lab, and then monitoring the flow of the meth from the lab to the street where it is sold.

This effort requires far more manpower than other narcotics investigations. For example, here in Philadelphia the Drug Enforcement Administration has two groups of agents working on methamphetamine investigations. There are ten agents in each group. In any complex conspiracy investigation at the stage where the surveillance is required, the manpower in both of those groups can be used up in two days if the surveillance is intense. In addition, these investigations take quite a long period of time. A complex methamphetamine investigation from start to finish could take at least a year.

An example is the investigation which we call the 401 investigation - named for 401 N. Broad Street where the lab was located. That investigation took approximately two and one half years from start to conclusion. There was some dead time during investigation in which a number of persons - 26 in all - were prosecuted so that

we could work our way up the ladder. These type of prosecutions also require lawyers with expertise to try the cases. As you can see from the description of the complexity of the investigations, it requires someone with a fair amount of acquired knowledge to continually try the cases with any amount of ease.

As I have pointed out, DEA has only 20 agents working these cases at the present time. I believe they can use much more manpower. On the prosecution side, our office can also use more Assistant U. S. Attorneys. We are in a very peculiar position in Philadelphia. This office has been traditionally understaffed when compared to the large offices in other cities of comparable size. When I came to this office two years ago, it had a total of 38 lawyers servicing 19 active sitting judges. There are now 50 lawyers assigned. This ratio is utterly ridiculous when compared to the amount of attorneys in other large cities. For example, in Chicago there are 13 sitting judges and 85 Assistant U. S. Attorneys. In New Jersey there are 70 Assistants and 10 judges. In Los Angeles there are 90 Assistants and 13 judges. Philadelphia is the fourth largest city in the United States. The U. S. Attorney's

Office should have 75 lawyers to service the agencies such as DEA.

The methamphetamine cases, as serious as they are, have continually produced far less severe sentences than are warranted by such a dangerous drug. For one thing, the maximum punishment of five years is simply too low. The courts are aware that in a heroin prosecution the maximum punishment for each count is 15 years. The courts are of the opinion that Congress feels that methamphetamine is a far less serious drug than heroin. They use five years as a cap. They usually work down from five years. I know that there are attorneys who contend that if the indictment contains a number of counts, the court has 10 or 15 years to work with anyway. However, that is unrealistic. Courts will always view the severity of the crime for what the maximum punishment of one count is. They will deal with it on that basis. The indictment may contain 50 counts but the judges always view the maximum punishment of a single count as an indication of the severity of the crime. Because methamphetamine is not as widely known - or the dangers of it are not as widely known - as heroin, the result is lesser sentences.

We think that a change in the maximum punishment of this offense will go a long way helping to solve that problem. We have had informants tell us that it is easier to work with methamphetamine than heroin because it is a risk worth taking. The money return is lucrative and the risk of punishment is far less than in working with heroin.

In summary, I would say that we have a large methamphetamine problem in Philadelphia. Much more than any part of the country. The enforcement effort needs more manpower on the part of DEA and more Assistants in the United States Attorney's Office. Congress needs to increase the maximum punishment of the methamphetamine offenses.

PREPARED STATEMENT OF
CAPTAIN ANTHONY SCAFIDI,
PHILADELPHIA POLICE DEPARTMENT
NARCOTIC UNIT

The Philadelphia Police Department Narcotic Unit is the principal investigative unit for violations of narcotics laws within the City of Philadelphia.

The Narcotic Unit is responsible for the suppression of the flow of narcotics in the City, detection and arrest of all persons who illegally possess, sell, distribute and manufacture dangerous drugs and narcotics regardless of the sophistication of the operation.

The Philadelphia Police Narcotic Unit is attacking the narcotics problem at various levels. The first level is the street where our responsibility is suppressing activity and availability making it difficult for dealers and pushers to operate in an open atmosphere, diminishing the opportunities for them to develop new users.

This level must also respond to complaints of private citizens that narcotics activity is flourishing in a specific house or neighborhood. Without this line of defense,

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the narcotics dealers would be able to push their wares more freely, creating an even larger problem than what already exists on the streets of any large city.

Our second level is aimed at large-scale dealers, distributors and manufacturers. This is accomplished by targetting these subjects and maintaining surveillances, obtaining high-level information, and employing investigative techniques on information that requires follow-up investigations.

Finally, the Drug Enforcement Administration Task Force, in which there is a Philadelphia Police Lieutenant, Police Officers, and a Detective assigned, with this attack focused on heroin and all mid-level drug traffickers and conspiracy-type investigations.

It is important that the Narcotic Unit has a proper balance in its attack against supply and demand, prevention and control.

There is a growing concern regarding the increase in heroin in the United States, but at this time there is no indication of this by the seizures in the Philadelphia area.

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However, there has been an increase of methamphetamine seizures in Philadelphia in the first six (6) months of 1980. Its growing popularity is due to the availability due to the clandestine labs in and around the Philadelphia area and its low cost of manufacture.

Lines of communication between the Federal, State, and local agencies must remain open to be successful in the battle against dangerous drugs and narcotics. There must be complete cooperation, exchange of intelligence information, and the knowledge that a helping hand is always available in a situation where other agencies are better equipped or more able to pursue.

PREPARED STATEMENT OF CHRISTOPHER D'AMANDA, M.D., ADDICTION SERVICES MEDICAL DIRECTOR, COORDINATING OFFICE FOR DRUG AND ALCOHOL ABUSE PROGRAMS, DEPARTMENT OF HEALTH, CITY OF PHILADELPHIA, PA.

Mr. Chairman, members and guests of this Hearing Panel for the Select Committee on Narcotics Abuse and Control, it is with pleasure and appreciation that I address you this afternoon, pleasure that you have chosen Philadelphia as the site for these hearings and appreciation of your listening to my remarks on behalf of the community, especially as this term is taken to include issues of learning about and treating drug dependent persons. I work for the Health Department of the City of Philadelphia as the Chief Medical Officer for the Coordinating Office for Drug and Alcohol Abuse Programs. Among other duties, it is the responsibility of this Office to prepare the Comprehensive Plan for Drug and Alcohol Abuse Services for the City. This Plan includes a wide contribution from the community of persons interested in this field, extensive review of a broad variety of secondary indicators of drug and alcohol abuse in the City, the allocation of monies to support services for persons seeking treatment for this abuse, approval by our Mayor's Drug and Alcohol Executive Commission and the Governor's Council on Drug and Alcohol Abuse, this last being the Single State Agency for the Commonwealth of Pennsylvania. This hearing presents our Office an important opportunity to learn about a little understood but clearly significant aspect of drug abuse in our City.

We have heard a considerable wealth of information and opinion from the community of law enforcement. At the risk of being considered presumptuous, and seeking to restore some qualitative balance to what is a manifestly slim quantitative base (eight panels from the legal perspective and one from the treatment side), I will suggest other communities of effort beyond the treatment system which are deserving of attention. The great challenge of human services in general, and the addiction services in particular, is the

extraordinary inter-relatedness of diverse professions and social agencies. My intent here is to suggest that no single community of however skilled practitioners can presume to do sufficient battle against drug abuse in our country. We need to articulate in pragmatic terms the saying that the whole is greater than its parts, without falling before the criticism that too many cooks spoil the soup.

Let me start by urging a clear understanding of what is and what is not intended by programs and policies. An example: a great deal of attention has always been given the Federal Funding Criteria for treatment of drug users by administrators and staff of service programs. They have understood them to be minimal criteria and have, in my experience in this City and elsewhere, made every reasonable endeavour to extend both quality and quantity of services beyond these definitions of minimal acceptable standards. At this point the entire drug abuse service system of the Commonwealth of Pennsylvania is beleaguered by a decision made in the Department of Public Welfare after interpreting the FFC as maximal criteria and establishing a set of regulations for reimbursable services inconsistent with proper care as it is now understood. In this City the estimate was made that close to one million dollars would be lost to the treatment system and would necessitate significant reductions in staff and services. Our programs and others are saved from this action because the DPW has been enjoined to show cause for its new regulations. Another example is found in the recent GAO Report submitted to Congress on April 14, 1980 entitled "Action Needed to Improve Management and Effectiveness of Drug Abuse Treatment". An over-dependence on the FFC led the authors to report suppositions and opinions as facts: no claim has been made by NIDA or others that these Criteria will produce the desired results, they are operational guidelines not statements of cause and effect. In neither instance did the agency in question understand the purpose or meaning of the FFC and were lead, in their ignorance, to damaging and inappropriate conclusions.

The Social Services Act '72 established regional Professional Standards Review Organizations to provide oversight for moneys spent under Titles V, XVIII and XIX including reimbursements under Medicaid, Medicare and Medical Assistance. By following a

strict medical model for defining criteria for acute admissions, hospitals are denied reimbursement for a significant proportion of individuals needing in-patient care for drug and/or alcohol related emergencies. In meeting with the Philadelphia PSRO we have found that no criteria have been developed for them which correspond with standard concepts in the field of drug and alcohol abuse. We do not believe that the Philadelphia PSRO situation is unique.

There are other communities equally deserving of attention. One wonders by what conjurer's trick one opiate dependent adult male becomes a junkie and another opiate dependent adult male becomes an impaired physician. What are professional licensing bodies doing about their own house, now, especially, that prescription drug abuse is being more widely uncovered. In Mobile, Alabama an aggressive treatment program surveyed doctors, dentists and pharmacists seeking information about drug abuse: among the more interesting findings was the estimate by respondents that an average of 20% of their regular patients were abusing their prescribed medication. Of equal importance is the fact that pharmacists, the last legitimate interface between patient and drug, had the highest estimate of 23.6%. Among the community of health care providers, pharmacists have received too little attention and are, obviously, in a position enabling significant impact on drug abuse in any community, given the support and attention such control would entail. In this City we are fortunate to have a Pharmacy Theft Prevention Committee, encouraged by the Drug Enforcement Administration as part of a community action approach to this problem: I have followed data from pharmacy thefts for several years and estimate that somewhere near half a million dollars in street value of drugs is stolen in any year. The mix of these legitimately manufactured drugs with products of clandestine laboratories further enriches the cornucopia of dangerous drugs on the street.

In February of this year our Office sponsored a symposium entitled "The Woman Next Door" concerned with women abusers of prescription drugs and alcohol. A major outcome of this meeting was the description of women's service networks, developing in communities across the country and in many instances organizing into

national associations. This outward reading sophistication of the self-help movement should be followed and supported. Voluntarism and the energies developed in such local groups may well prove to be an essential component of a new and more responsive treatment system, balancing federal direction with community initiative.

A further community to be responsive to is composed of scientists and researchers. As that is a hat I sometimes wear I encourage your supporting the needs of accurate data gathering, most importantly, of data gathering at NIDA, NIAAA and NIMH. For reasons I have never heard adequately defended the recording of a client's census tract of residence is not permitted on the forms developed by each of these Institutes. With the availability of computer programs which provide any combination of national census variables "matched" to a tract number, the opportunity is at hand for any system or program to seek correlations among structural variables and social behavior. More generally, but probably more challenging, is the need for each of the Institutes to agree on some common "core" of data to be collected by all three so that appropriate, coordinated interpretation of their data systems could be forthcoming.

So be it for some of the communities, other than law enforcement, which have a role to play in describing, seeking to understand and to respond to the condition of dysfunctional drug use in our community. There are others, but I hope my point is made. We need to work together and to share information across the particular boundaries of our daily work as well as beyond the limits of our authority and responsibility. Where such capability does not exist, it must be established in a formal and lasting fashion.

The remaining speakers for this panel include Ms. Lonnie McDonald, a counselor at one of our treatment programs, who will tell of clinical problems associated with street drug use, and Dr. Tully Speaker, Chairman of the Temple University Department of Medicinal Chemistry in the School of Pharmacy. He will tell us of some ways to reduce drug effects which do not depend on efforts at social control but do depend on sophisticated scientific investigation.

Thank you for this opportunity to share with you some community perspectives.

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PREPARED STATEMENT OF IAN H. LENNOX, EXECUTIVE VICE PRESIDENT, CITIZENS
CRIME COMMISSION OF PHILADELPHIA

Mr. Chairman, Members of the Select Committee:

One of the ways the Crime Commission, now 25 years old, has traditionally sought to carry out its crime prevention function has been through public education, often by means of public testimony at hearings of governmental bodies. Thus, I am extremely pleased to be afforded this opportunity to reiterate our concern about the trafficking in hard-core drugs, and the role played in that illicit trade by outlaw motorcycle gangs in the Philadelphia area.

(The Citizens Crime Commission is an independent, non-profit corporation, located at 1700 Walnut Street, Philadelphia, Pennsylvania, 19103, supported mainly by business/corporate leaders, and engaged in efforts to reduce crime and improve the criminal justice system.)

Serving Southeastern Pennsylvania

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Last October, I testified before Congressman Walker's Task Force on Welfare Reform in Washington about the past activities of motorcycle gangs in Southeastern Pennsylvania. It is our belief -- now as then -- that federal assistance is of utmost importance if these illegal biker activities are to be prosecuted and curtailed.

To repeat some of the points I made in that testimony:

Two powerful outlaw gangs have operated in the Philadelphia area in recent years. In 1977, it was estimated that these two gangs -- The Pagans and Warlocks -- had approximately 200 members each in the Philadelphia area, scattered throughout perhaps a dozen chapters or clubs. While the Warlocks were more or less a regional club, the local Pagan chapters were part of an extensive network of over 1,200 bikers known as the Pagan nation.

The Pagans Mother Club, a power center similar to a ruling family of the Mafia, originated about 1959 in Prince George's County, Maryland. An aggressive and often violent bloodshedding expansion program established Pagan clubs from Connecticut to Florida and as far west as Texas. At the time the Citizens Crime Commission began a sustained investigation into Pagan activities, strong concentrations flourished in New York, Delaware, New Jersey, Maryland and Pennsylvania.

Our files attest to the Pagan presence in the tri-state area of Pennsylvania, New Jersey and Delaware as early as 1968. Numerous arrests of Pagans for drug or firearms possession are cited.

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The terroristic Pagans moved into the little town of Marcus Hook in Delaware County, Pennsylvania, in 1975. Under heavy pressure from a joint federal, state and local task force in Maryland, the Pagan Nation at that time abandoned its national headquarters in Baltimore. The Pagans' head, John "Satan" Marron, established residency in Marcus Hook where he was joined by eight of his top men. There, close to the Delaware and New Jersey borders, "Satan" could administer his profitable crime network.

The Pagans subsequently overwhelmed the scattered law enforcement resources of suburban Delaware County. They were able to infiltrate friends and women into local government to the extent that their intelligence network seemed superior to that of the police. Newspaper reports in early 1976 described their efforts to take over legitimate business and to carry on lucrative drug and theft operations, interfacing with Mafia activities. One report revealed the existence of a Pagan narcotics factory near Pittsburgh which supplied the drug distribution network. Internal discipline of the Pagans made the gang almost impregnable to a purely local assault.

Last October (1979), the publication "Pennsylvania Illustrated" carried a cover story on the Pagans, written by Allen L. Davis, a newspaper reporter in Coatesville, detailing the structure, practices and illicit dealings of the Pagans. The article entitled "The Last Ride of Amos Moses" talked about how one long-term and high-ranking official of the club became an informant for the Drug Enforcement Administration in Philadelphia in the

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DEA's investigation of clandestine methamphetamine trafficking.

In short, the Pagans' connection with drug trafficking, especially "speed" being manufactured in clandestine laboratories throughout southeastern Pennsylvania, has been long known and thoroughly documented by police investigators.

The Crime Commission became involved in the Pagan problem in July, 1976, in an effort to assist Delaware County District Attorney Frank Hazel in curbing their activities. Our role was mainly public education, seeking to alert the community to the extent of the bikers' illicit and dangerous operations, and to encourage federal authorities and agencies to assist in investigating and prosecuting them. The Commission compiled and published two pamphlets to aid local police investigating the gangs. It also was involved in a significant tri-state seminar on outlaw gang activity in late October, 1976.

At one point in 1976, it was estimated that the Pagans were handling about \$100,000 worth of drugs PER WEEK out of Marcus Hook.

To make a long story short, coordinated local, state and federal efforts were largely successful in driving the Pagans out of Delaware County. At least, they went underground.

In May of 1977, a combined law enforcement task force of 130 members staged coordinated raids which accounted for 49 indictments. It broke the back of biker activity in Delaware County to the extent that last September (1979), the head of DEA

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In Philadelphia was able to report: "Although some members of these groups are still allegedly involved in narcotics and stolen weapons, the magnitude of their operations has been curtailed as a result of enforcement efforts."

The initial federal input into the problem, DEA reported, resulted in formation of several "biker task forces." Intelligence gathering by state and local agencies increased, and overall "concentrated enforcement efforts have dampened the activities of these criminal suspects in the Philadelphia area, and any surge in illicit dealings will be quickly recognized and pursued by enforcement officials."

Marron, himself, was imprisoned.

As it turned out, of course, the Pagans were not so much eliminated as forced to move elsewhere. Their activities, for example, have recently increased in central Pennsylvania, and now there are persistent reports that they may be returning to Delaware County, an ideal location from their point of view in moving drugs and other contraband among the highly populated metropolitan centers of the East Coast because of the many super highways.

Based on our research and experience with the Pagans, the Citizens Crime Commission found them to be highly successful in the illicit distribution, if not manufacturing, of hard synthetic drugs, as well as other profitable and terroristic criminal endeavors.

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Also we found that the only way to effectively counter this threat is through coordinated and highly active law enforcement efforts on all governmental levels.

Coincidentally, or perhaps as a result of the high level of outlaw motorcycle gang activity in Southeastern Pennsylvania, this area has achieved the dubious distinction of being the "speed capital of the world," and I'm not talking about speed on the highways. Greater Philadelphia, especially the suburban counties that surround the city in Pennsylvania, and those lying across the Delaware River in New Jersey, has been identified as a hotbed for the illicit manufacturing of methamphetamine in clandestine laboratories.

Three years ago, a convicted drug manufacturer testified before a special Pennsylvania State Senate investigating committee in Harrisburg that he earned more than \$500,000 in 18 months making illegal drugs at secret labs in barns and other nondescript places. An unidentified dealer testified at the same hearings that he and his associates were fully prepared to murder informers who gave information to police about their activities.

The manufacturer, who said he was only caught because his lab caught fire, said he produced both speed and PCP. He said that methamphetamine was more available in southeastern Pennsylvania than anywhere else in the world.

"You can buy good pure pounds here," he said. "I am not

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saying you can't elsewhere, but I think you would have a harder time anywhere else than here."

H. Graham McDonald, chief investigator for the Senate committee, blamed pressure from organized crime, lack of law enforcement tools, unqualified personnel, and lack of funding for the State's apparent ineffectiveness in ferreting out major suppliers of hard drugs.

State Senator Michael A. O'Pake, who headed the special committee, told a meeting of Crime Commission directors that "a middle level dealer for one of the organized drug trafficking groups in a suburban Philadelphia county can make as much as \$100,000 a week dealing speed."

O'Pake said PCP and speed are primarily manufactured in clandestine laboratories located on isolated farms in Monroe, Bucks, Montgomery and Chester Counties, but "some of these labs can be found right in the basements of suburban homes."

Continuing his remarks to the Crime Commission, O'Pake said:

"And who are the people behind the labs that make speed and PCP? They're an organized group too. They have to be because the manufacturing of these chemical compounds requires that the base chemical ingredients are purchased or stolen from many different sources. Sometimes they're brought in from other states, some are even mailed in from other countries. To do this requires coordination and organization. It requires patience and it requires intelligence. The services of college-

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trained chemists are often enlisted by the drug traffickers.

"While a small-time speed manufacturer can get away with producing what is, in the vernacular called bath-tub meth, a sophisticated lab, hidden in a barn in a quiet little corner of Monroe County, might have \$75,000 to \$100,000 worth of equipment," said O'Pake.

O'Pake's and the Senate Committee's chief purpose in detailing these illicit dealings was to arouse the public to pressure the Legislature for enactment of new law enforcement tools, specifically the right for police to tap phones and use electronic surveillance equipment, the right of prosecutors to give "use-immunity" in gathering testimony as evidence, and the authority for both the state and counties to set up investigatory grand juries.

The Crime Commission joined this public education campaign for new laws in 1977, and, in fact, such laws were enacted in 1978.

This year, the Crime Commission became increasingly concerned about reports emanating from Washington about an anticipated tidal wave of heroin reaching the East Coast, U.S., from countries of Southwest Asia. We undertook a study of narcotics enforcement capabilities of the Philadelphia police. (A copy of the report is included with this statement.)

While the main thrust of that report deals with heroin, I would call to your attention several references dealing with synthetic drugs, the problem being examined by the Select Committee at this time.

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First is an expression by Dr. Christopher D'Amanda, addiction services medical director for the Philadelphia Department of Health, to the effect that he is concerned about "poly-drug use," and the fact that it is potentially more dangerous than heroin alone.

Several law enforcement officials told the Crime Commission that they consider PCP and methamphetamine to be equally, if not more dangerous to users and to society in general because of their propensity for causing unpredictable, violent behavior.

In March, the study reports, the Philadelphia narcotics squad shut down a lab in East Philadelphia which was capable of turning out \$250,000 worth of speed a month. That same month, New Jersey law enforcement officials raided what they called the largest illegal meth factory in the East, in Burlington County, N.J., capable of producing \$500,000 worth of the stimulant each week.

The Crime Commission spoke with a disciplinarian at one of Philadelphia's public high schools who said meth is being "sold off as cocaine" to students who "snort" the white powder. All of it is manufactured locally, he said. "Any graduate student in chemistry can make it with \$200 worth of equipment, and it's easy to sell. No sophisticated network is needed."

Also related in the study report are tables showing that not only have arrests for drug violations declined in Philadelphia since 1975, but that most arrests and convictions in Philadelphia

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courts are for possession of drugs, not sales or distribution.

The District Attorney considers most of these arrests to be "useless" in reducing drug traffic. However, the report goes on, Philadelphia police lack the money, manpower and other investigative resources to pursue cases up the ladder to high-level dealers.

Another study just completed by the Crime Commission, this one on behest of the Philadelphia Board of Education's Task Force on Drug and Alcohol Abuse, contained numerous items of concern regarding synthetic hard-drugs.

While the principal drugs of abuse in the schools were found to be marijuana and alcohol, interviews with 95 school officials including superintendents, principals, teachers and nurses determined that speed and PCP are considered somewhat a problem in schools.

One professional working within the public schools estimated that at least 15% of the students were in "real need of treatment" at the present time, an indication that hard drugs are, in fact, available.

More than half (52%) of those interviewed in the study felt there was an "organized source of supply" for drugs that got into students' hands.

The Crime Commission study mentioned an earlier research report of the Philadelphia Polydrug Research Project which found

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that of 2,750 youngsters entering treatment, 45% had used amphetamines, and 40% hallucinogens.

In answer to Commission inquiries about availability of drugs in school, students in the high schools responded that they were able to buy cocaine, opium, hash, speed and alcohol on occasion, but that mostly it was necessary to go downtown or to their own neighborhoods for hard drugs.

Based on these two most recent studies, plus past knowledge about the trafficking in speed and PCP, especially by outlaw motorcycle gangs, the Citizens Crime Commission believes the current problem in regard to these two drugs to be of threatening if not alarming proportions. From our point of view, the situation calls for increased vigilance and efforts on the part of law enforcement officials, the continued assistance of federal agencies to local government, and the constant, informed concern of parents and other members of the community. For our part, we mean to carry on increased efforts to bring the situation to the public's attention.

We would also solicit this Select Committee's support for appropriations that would enable federal agencies, especially those in the drug enforcement field, to beef up efforts here. Local DEA officials, for example, have expressed their concern about budgetary limitations restricting their effectiveness. In our opinion, this is no time to relax efforts in the war against hard drugs.

- END -



CITIZENS CRIME COMMISSION OF PHILADELPHIA • 1700 Walnut Street, Philadelphia, Pa. 19103 • 546-0800

JUNE 19, 1980

NARCOTICS ENFORCEMENT IN PHILADELPHIA

INTRODUCTION --

Growing concern is being expressed by federal justice and Drug Enforcement Administration officials about a potential tidal wave of high-purity, low-cost heroin hitting the eastern United States from the Middle East this year. In fact, there is already some evidence that this is occurring.

For various reasons, chief among them that the U.S. cannot count on any cooperation of governments in Iran, Pakistan and Afghanistan -- the main exporting countries -- to curb production and exportation of opium and derivatives, DEA officials say they must concentrate their efforts on intercepting shipments as they arrive in this country, and on high and middle-level distribution, mostly interstate.

There will, therefore, be increasing pressure on local law enforcement authorities to attempt to curb street-level sales and intrastate distribution, as well as to supply intelligence to DEA strike forces that can be used for identifying and halting higher-level dealers.

Serving Southeastern Pennsylvania

Philadelphia police are already cooperating, by sharing intelligence data and manpower, with DEA strike force efforts in Southeastern Pennsylvania. (About 17 Philadelphia officers are currently assigned to work with DEA where they have use of DEA vehicles, "buy money" and are paid for overtime.)

The purpose of this report is to examine how effectively the Philadelphia Department's own narcotics enforcement effort is organized, staffed and supplied; what are its priorities and results, and whether enhanced efforts are needed in light of predicted new narcotics problems in the Greater Philadelphia area.

THE GROWING PROBLEM, HEROIN --

Four months ago, while routinely inspecting suitcases left in an unclaimed baggage area at Kennedy International Airport in New York City, a U.S. Customs officer touched off the largest seizure of heroin at the airport since 1975 -- almost 53 pounds of nearly pure heroin, with a street-sale value of about \$40 million.

The suitcases, DEA later ascertained, had initially been loaded aboard an Alitalia plane in Palermo, Sicily, which European police have identified as a center for heroin smuggling. They were then transferred to a TWA flight in Rome, bound for New York. The drug's source, according to DEA, was the "Golden Crescent," rural areas of Southwestern Asia, where political instability has allowed the unhindered cultivation of poppies.

According to John W. Fallon, DEA director for the New York

region, 48 percent of all heroin now being confiscated in New York has been traced to the Middle East and Asia, compared to 13 percent a few years ago. "Our intelligence efforts here and in cooperation with European law enforcement agencies have led us to expect such an upsurge in heroin trafficking," Mr. Fallon said. (New York Times, January 18, 1980).

Commenting in the same article, Assistant Chief Charles Kelly of New York City's narcotics division, said that during the last few months the purity of heroin sold on the street in that city has increased from a range of one to three percent to a range of three to six percent, indicating an increase in supply.

Late in February, U.S. Attorney General Benjamin Civiletti summoned 100 top law enforcement officials from around the country to Washington to warn them about the heroin influx. "We must take every step, at every level of government, to lessen the impact," Civiletti told the gathering.

Reporting on that meeting and subsequent developments, Newsweek Magazine (March 10, 1980) noted that only a year ago, the U.S. seemingly was winning its battle against heroin. By mid-1979, the estimated number of American addicts had dropped to about 400,000, the lowest number in 25 years. The amount of heroin available, mostly from Mexico, had dwindled to an estimated four metric tons and the price had nearly doubled since 1976.

"All that will change and change dramatically," Civiletti warned, telling about an expected wave of plentiful, high-quality heroin from Iran, Pakistan and Afghanistan. Poppy farmers there

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last year produced a bumper crop of 1,600 metric tons of which some 60 tons of nearly pure heroin could soon be available on the international market, he said.

With the European market already saturated, "everyone will soon be trying to dump the stuff on our very lucrative American market," said New York City Special Prosecutor Sterling Johnson.

Because of current political instability in Iran, Pakistan and Afghanistan, U.S. officials do not expect government help in those countries in stemming the flow. "We had trained local police officials in Kabul (Afghanistan) and Tehran (Iran)," said Fallon, "but we don't know what's left now, and we don't foresee any change to our advantage in the near future."

Civiletti outlined a new DEA program aimed at six Eastern cities -- New York, Philadelphia, Newark, Boston, Baltimore and Washington -- which, he said, includes increased funding for purchasing information and evidence, and close monitoring of street supplies in the target cities. But he and others were not optimistic.

"We're not going to be able to stop the flood," said Fallon.

"We hope to put a dent in the problem."

According to Therapeutic Communities of America, a coalition of 112 drug addict treatment and counselling organizations in 32 states, the "influx of high-quality Middle Eastern heroin has the potential of causing an epidemic of drug addiction 2,000 times greater than what this country experienced in the late 1960s and early 1970s." (Quoted in the March, 1980 issue of Community Crime

Prevention Digest.)

THE PHILADELPHIA CONNECTION --

In a subsequent (March 25) interview with the Crime Commission staff, Joseph Dino, then acting special agent in charge of DEA's strike force in Philadelphia, confirmed the agency's concern about increased heroin from the Middle East. He also reiterated that whereas Mexican heroin tended to be distributed through outlets in the Southwest U.S. and Chicago, the heaviest impact of Southwestern Asian heroin would be on the east coast of the U.S.

Dino said that DEA has some budget concerns, and with the Law Enforcement Assistance Administration also likely to be cut, "It doesn't appear there will be much money available to DEA for local enforcement. The future doesn't look too bright."

In the past, Philadelphia's narcotics division has turned to DEA for "buy money" in emergencies. Some money will continue to be available, Dino said, but there just isn't enough to count on routinely.

Dino emphasized the need for local enforcement efforts. "It is not our job to police the streets," he said. "It is the locals' job to eliminate demand and retail traffic. However, there is no reason for Philadelphia police to stop at the lower (distribution) levels. We encourage them to go up the ladder. It would make our job easier."

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According to Dino, some samples of heroin recently seized on Philadelphia streets and subsequently analyzed proved to be of 6 to 8 percent purity compared with 2 to 3 percent purity last year.

"When users begin shooting that," said Dino, "ODs (overdose deaths) will go up." He explained that ODs occur when users unexpectedly inject higher strength heroin than their bodies have become accustomed to.

It is District Attorney Edward G. Rendell's concern that Philadelphia is going to be hit with a lot of OD deaths, especially in the black community, when the wave of Middle Eastern heroin hits this area. David E. Abrahamsen, chief of the DA's narcotics unit, said that he believes DEA lacks the resources needed to cope with the projected increase in local heroin. "The ever-growing plague of drug abuse demonstrates that fact," he said.

Even now, figures supplied by Dr. Christopher D'Amada, Addiction Services Medical Director in the City's Department of Public Health, show an upturn in heroin-related deaths in Philadelphia, beginning last year. Also, an increase in admissions to treatment facilities and programs, primarily related to heroin use. The figures listed here are for six-month periods:

	Heroin-Related Deaths	Treatment Admissions
1979-second half	23	1,860
-first half	19	1,736
1978-second half	11	1,600
-first half	47	2,203
1977-second half	31	2,425
-first half	26	3,472
1976-second half	41	4,076

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As noted, neither heroin-related deaths nor treatment admissions have yet reached the level previously experienced. (The federal Drug Abuse Warning Network, in fact, reports that heroin-related deaths in the U. S. declined from 2,600 in 1976 to 800 in 1978.) More significant, perhaps, may be Dr. D'Amanda's finding that since 1978 in Philadelphia, the price of white (Middle East) heroin has sharply declined, while its purity has increased.

Dr. D'Amanda also reports an increasing number of persons coming into treatment who show opiate positive urine specimens. During the second half of 1978, some 226 individuals entering treatment had opiate positive urines. The figure for the second half of 1979 was 443 persons.

Dr. D'Amanda also expressed concern to the Crime Commission about "poly-drug use," noting that this pattern of use, that has developed since the mid-1970s, is potentially more dangerous than heroin alone.

Philadelphia police officials, interviewed April 8, said they had read DEA predictions of a large influx of heroin, but at this point tended to view the heroin situation as more cyclical than indicating any long-term trend.

Nevertheless, Capt. Anthony Pace, who at the time headed the narcotics division, observed that visible examination of seized heroin in Philadelphia during recent weeks showed an increasing

amount of white (Middle East, as contrasted with brown from Mexico). Pace also reported that police here, during a recent month, seized substantial quantities of heroin -- 217 "bags" on one occasion, 475 "packets" on another -- from persons who must be considered "dealers".

Chief Inspector Frank Scafidi, head of the Detective Division, said that notwithstanding reports about an upsurge in heroin, his major concern is that "the community is coming to accept use of marijuana and cocaine", and that this attitude tends to make law enforcement more difficult.

Pace reported that the police department made 4,950 arrests for all drug violations last year, about 2,000 of them in the oplate area. He said these figures were going to be higher this year, judging from experience to date. He said there is some evidence that heroin use is increasing somewhat.

Added to these official reactions, the Crime Commission heard from two anonymous sources -- one a high level police officer -- that the heroin supply on the street is increasing, and that the drug on sale is of greater purity than last year.

Atlantic City was identified by one of these contacts as a major distribution point. This person also said that there is "heavy traffic" around the campuses of Pennsylvania and Temple Universities.

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ENTER, THE MOB --

Meanwhile, a number of incidents involving alleged organized crime figures in the South Jersey - Greater Philadelphia area, including the murder of Angelo Bruno in late March, has led to fears about increased mob activity in the narcotics trade. (Bruno, himself, had a reputation for resisting narcotics trafficking.) The most recent person to mention a possible connection between Bruno's death and mob narcotics activity was federal Drug Enforcement Administrator Peter Bensinger.

Also in March, two cousins of the late alleged Mafia boss Carlo Gambino -- Giuseppe and Rosario Gambino -- were arrested by federal agents in Cherry Hill, N.J. and charged with conspiring to smuggle 90 pounds of heroin into New York City. The heroin, intercepted in Milan, Italy, had a wholesale value of \$10 million, police said. The Gambinos have since been indicted in New York City.

More recently, Antonio (Tony Bananas) Caponigro, an associate of Bruno found murdered in New York City April 18, was said by police to have been involved in narcotics trafficking.

NYC Police Commissioner Robert J. McGuire, writing in the October, 1979 issue of "Drug Enforcement" published by DEA, said his department has "very persuasive evidence that major drug violators, in classic organized crime syndicates, are in the process of establishing new sources of supply and new smuggling routes from Southeast Asia to New York City."

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Law officers are further expressing concern about a renewal of "Black Mafia" activities - several leaders are reported to be back in the community - in distribution of hard drugs.

OTHER DRUGS TOO --

Looking beyond heroin, many law enforcement officials here consider PCP and Methamphetamine, both easily manufactured in any cheaply equipped chemical lab, to be equally, if not more, dangerous to users and to society in general. Both drugs often induce unpredictable, violent behavior.

Police Captain James Murray told the Crime Commission that LSD, as well, is staging a comeback in the area.

In March, the Philadelphia narcotics squad shut down a lab in East Philadelphia which, said officials, was capable of turning out \$250,000 worth of Methamphetamine a month. That same month, New Jersey law enforcement officials raided what they called the largest illegal meth factory in the East, in Burlington County, NJ. It was capable, they said, of producing \$500,000 worth of the powerful stimulant each week.

The Crime Commission spoke with a disciplinarian at one of Philadelphia's public high schools who said meth is being "sold off as cocaine" to students who "snort" the white powder. All of it is manufactured locally, he said. "Any graduate student in chemistry can make it with \$200 worth of equipment, and it's easy to sell. No sophisticated network is needed."

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Philadelphia police are handicapped because many of these PCP and "speed" labs are located in suburban counties. The reappearance of outlaw motorcycle gangs in Delaware County has alerted District Attorney Frank Hazel, there, to a possible resurgence of drug activity.

PHILADELPHIA ENFORCEMENT --

Total arrests for all drug abuse violations in Philadelphia have sharply declined since 1975, according to figures compiled by the Pennsylvania State Police Bureau of Research and Development. The same pattern is true of defendants handled, convicted and sentenced to prison in Municipal and Common Pleas Courts.

Year	Arrests	Defendants		Convicted		Sent to jail	
		MC	CP	MC	CP	MC	CP
1979	4,950*	4,095	188	415	113	43	50
1978	5,697	4,696	354	498	137	47	41
1977	6,466	5,778	568	448	334	73	93
1976	6,711	5,963	892	1,030	415	95	122
1975	5,943	5,500	598	709	288	88	64

* The 1979 arrests figure does not include arrests by State police and drug agents. But state arrests in Philadelphia usually number fewer than 25.

The above figures do not indicate the specific charges against persons arrested and brought to court. An examination of Court records for 1979 shows, however, that about nine of 10 defendants brought to court were charged with possession rather than sale. Or, to put it another way, the vast majority of drug law violators

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arrested and charged in Philadelphia were picked up for having drugs in their possession, and not with dealing them.

1979 charge	Defendants		Convicted		Sent to Jail	
	MC	CP	MC	CP	MC	CP
possession	3,903	173	323	99	33	44
sale	127	14	73	13	7	5
other	65	1	19	1	3	1

The District Attorney's office in Philadelphia has been critical of this tendency by police here to arrest drug users rather than concentrating their resources to take pushers off the street. In a November 1979 memorandum to DA Rendell, David E. Abrahamsen, chief of the DA's narcotics unit, said:

"Many of the arrests presently made are less than useless. They do nothing to reduce drug traffic, and waste police, DA and court time. . . . arresting someone with a few pills, an eighth-ounce of meth, three bags of heroin, etc. is not, absent extraordinary circumstances, going to result in a jail sentence. Nor does it have any effect on interdicting supply. . . . The police narcotics unit should be making quality arrests. . . ."

In defense of department actions, Chief Inspector Scafidi and Captains Pace and James Murray stressed to the Crime Commission that Philadelphia's is a "service-oriented" police department. Unlike the DEA strike force which has the "luxury," they said, of choosing which complaints to answer and which tips to investigate, the Philadelphia narcotics unit answers all calls, ranging from complaints of kids smoking pot on the corner to calls to transport someone suffering an overdose to the hospital.

It is long-standing policy in the department, as well, that every drug arrest/^{be}processed through the narcotics unit. Police officials admit to some wasted time and effort in this procedure, which requires that someone caught with even a few ounces of marijuana be brought into headquarters for questioning by a trained narcotics officer. But, they say, this centralization of drug cases provides better statistical analysis, helps to avoid potential corruption of officers, and sometimes turns up information that can lead to higher level dealers.

At the very least, however, the DA's office contends that some of the paperwork should be handled by civilians or officers on disability rather than sworn officers who could be out working the streets.

A SHORTAGE OF MEANS --

Severe limits on money, manpower and other investigative resources, moreso than formal policy, tend to dictate a practice here of arresting drug offenders on contact -- dubbed "buy-bust" -- rather than pursuing evidence up the ladder via a series of buys, paid informants and long-term surveillance.

"We can't afford to let \$1,000 to \$3,000 take a walk," said Chief Inspector Scafidi, explaining that local judges seldom order convicted defendants to refund buy money to the department.

"It's rare if an informant's fee goes over \$50," said Scafidi.

Scafidi said the department averages about \$12,250 a year in "buy money," but hopes this year to get a little more.

"We lack the ability to 'turn' informants with either money or (threatened) jail sentences," Captain Murray added.

To illustrate how frustrating the lack of money can be, Murray told of one narcotics officer, returning to headquarters at shift change, who borrowed pocket money from other officers so that he could go back out on the street to make a purchase and an arrest. "Obviously," said Murray, "he didn't want to let this money walk (get away without an arrest) because he had to repay it."

One police inspector, commenting to the Crime Commission anonymously, said he is embarrassed to let his peers in other cities know how little money is available to the department for purchasing drugs and paying informants.

According to Abrahamsen, chief of the Philadelphia DA's narcotics unit, the present practice with regard to drug purchases "cannot be expected to net major dealers or get severe sentences." Also, the department cannot expect much in the way of helpful information from informants for what it currently pays, he said.

"Judicious expenditure of money for informant information," said Abrahamsen in his November memo to Rendell, "can achieve results otherwise either impossible, or possible only by expenditure of far larger sums on alternate means of investigation."

Abrahamsen was also critical of the department's lack of a secure place, other than police headquarters, where officers can interview informants, and what he described as haphazard attempts at accumulating intelligence information.

"Presently," he said, "there is no such thing as identifying and targeting major dealers. Surveillances, other than brief static observations of dwellings to corroborate search warrant information, are unknown. A moving surveillance is never attempted.

"If the officers had, or developed the skills requisite to conduct (moving surveillance)", Abrahamsen continued in his memo, "the necessary equipment -- that is, radios, vehicles and available manpower -- is lacking. You can't conduct an effective surveillance with three cops working four to midnight, nor can results be guaranteed in a day or a week."

The current strength of the department's narcotics squad is down from its peak of 104 several years ago to 75. According to officials, there are no plans to increase the complement.

Even these few apparently do not work narcotics exclusively, but are often detailed to other duties. What this means, according to Abrahamsen, is that on any given shift there may be as few as three narcotics officers available for street duty, plus "Five Squad" if it happens to be working that shift.

Five Squad, a somewhat elite undercover unit of 15 investigators and two supervisors, has city wide jurisdiction.

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Philadelphia is now utilizing some female officers for on-street investigating, and a couple of "scent dogs" for sniffing out drugs at the airport.

Abrahamsen said he considers the present training of narcotics officers inadequate, and recommended that a program be established, especially in regard to requirements for search warrants. "No one," he said, "should be writing or executing search warrants without a thorough grounding in the law of arrest, search and seizure."

Finally, Abrahamsen reported to Rendell that he considers supervision in the police department's narcotics unit to be wanting. "Some of the narcotics supervisors," he said, "have little or no street narcotics experience. Conversely, experienced officers with long street experience are not used."

LOCAL STRIKE FORCE PROPOSED --

Pennsylvania state law enacted in 1978 to permit electronic eavesdropping and wiretapping takes such equipment, useful in narcotics and organized crime investigations, out of the hands of police and makes the individual offices of district attorney responsible and accountable for its use. District attorneys are also empowered to impanel special investigating grand juries to look into crime patterns in their counties, including narcotics trafficking.

For this and other reasons, including the threatened influx of Middle East heroin and the threat of mob activity in the

narcotics area, Rendell and Abrahamsen have proposed and sought Commission support for creation of a narcotics strike force in Philadelphia that would coordinate its activities with suburban prosecutors and police and could, at the proper time, bring evidence before (already operating) grand juries.

In regard to utilization of electronic surveillance equipment, for example, Abrahamsen makes the point that where suspected narcotics traffickers are targeted, it is crucial that those officers doing the wiretapping understand the cryptic language often used to discuss illicit deals. Also, he said, most successful wiretaps depend as much for their success on physical surveillances during the tap, and thorough pre-tap investigations, as on the actual interception. Thus, a continuing (rather than intermittent) investigative effort by specially trained and supervised officers is important.

Abrahamsen suggests that any special strike force be composed of 15 to 20 male and female investigators from the police department under the direction of a lieutenant and corporal, and working with two prosecutors under his direction.

The unit would need, he said, about \$200,000 to buy evidence and information, and the use of a "safe house" where informants could come without fear of being recognized. Money might be available, he said, from sums seized in evidence during drug raids or by application to the Pennsylvania Commission on Crime and Delinquency.

Chief Inspector Scafield recalled working with a similar strike force 10 years ago that "made a number of good arrests". The key to its success, he said, was the concurrent empanelling of a grand jury. (Rendell and Abrahamsen, on the other hand, believe the grand jury should be involved later, after the strike force develops some hard evidence.)

Rendell also proposed that such a strike force work jointly or in close cooperation with prosecutors and police in suburban counties.

Unless a more intense local effort is made against drug trafficking, Rendell said he may be forced to reassign Abrahamsen to other duties because he simply is not getting enough high-level drug cases to warrant a separate narcotics division in the DA's office. Although DEA had promised a year ago to send more of its cases to Philadelphia courts, for prosecution by Abrahamsen's unit, it is, in fact, taking most of them before federal judges.

July 15, 1980

WRITTEN TESTIMONY OF JAMES D. NICHOLSON, PHILADELPHIA DAILY NEWS REPORTER, SUBMITTED TO THE U.S. HOUSE OF REPRESENTATIVES SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL.

MEMBERS OF THE COMMITTEE:

Thank you for this opportunity to offer testimony to your committee regarding the general upsurge in the manufacture and use of the drug methamphetamine and in particular its use in Philadelphia.

I am presently a reporter for the Philadelphia Daily News, Philadelphia, Penna. I have been a reporter for twenty years, the last twelve of which have been spent as an investigative reporter specializing in organized crime, political corruption and white collar crime. At various periods in the last dozen years I have conducted special investigations and inquiries into drug situations. This included a 14-month period in 1974-75 when I worked in Philadelphia as a private detective. And also an eight-month probe of motorcycle gangs.

I shall attempt to limit my testimony to those areas in which I have had personal experience and first-hand knowledge.

Narcotics, specifically "speed," has been "breaking up that old gang of mine," as the anti-drug slogan states. But that was yesterday. Today, the deluge of methamphetamines is breaking up the very cultural, moral, ethnic and economic fabric of the neighborhoods, particularly in South Philadelphia.

(more)

Philadelphia has long been known as the "City of Neighborhoods." Nowhere was the neighborhood character stronger than in the largely Italian population of South Philadelphia.

In South Philadelphia the family unit and the extended family - grandparents, aunts, uncles, etc. - until very recently seemed impervious to the mobility and other modern phenomena which have weakened family units in today's world. The neighborhood itself was a study in strength and stability. It was not uncommon for members of a family, especially older members and those who did not go to college or into the military, to live their lives and fulfill all their needs and wants within ten blocks of their home.

They were neighborhoods of small hospitals, movie theaters, mom-and-pop stores, luncheonettes and funeral parlors. When grandparents died, married sons or daughters would buy or otherwise take over the house which they knew would be there for their children. Sons and daughters would wait for a house on the block to open up and quickly buy it. At school, children would be taught by many of the same teachers who taught mom and dad.

In the summer months, a neighborhood communal spirit would be revived when everyone on the block would naturally come out and sit on the steps in the evenings.

What I am describing here is not a nostalgic look at the forties. This is how most neighborhoods were in South Philadelphia until as recently as 1971.

(more)

It was in the early seventies that narcotics became a real and visible problem in Philadelphia. But at that time, most of us in the media, and those in law enforcement, were primarily concerned with the most obvious aspects of the problem - the pushers and users...of heroin and marijuana. Not Speed.

None of us realized that the ultimate price to be paid would be the virtual destruction of entire neighborhoods as we knew them. For one thing, none of us could imagine that, especially in South Philadelphia, narcotics could so deeply affect routine life for tens of thousands of persons who never used or even saw speed. Methamphetamines were drugs that fell through the cracks.

Only in the last few years have we been able to analyze and understand the dynamics of a "drug turf" and what it means to the socio-economic matrix. The effects of speed were insidious.

I could personally escort members of this committee to South Philadelphia neighborhoods which today bear no trace of resemblance to what they were ten years ago. Narcotics, speed, has shattered the socio-economic matrix.

Unlike the heroin user who will have to spend several hundred dollars in a matter of days to support his habit, the speed user's habit is a fraction of this and easily within the financial grasp of every young person who is willing to engage in petty theft.

As the availability of speed spread, so did theft, house-breakings, purse-snatchings, muggings and minor robberies.

(more)

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And as the thefts and robberies increased - and neighbors tightened their own security - the speed users became more brazen, to the point of mugging the elderly who were sitting on their steps.

With the distortion of reality and lapse of moral conduct that is characteristic of the speed user, the acts of violence accompanying petty crime escalated to levels never before witnessed in these ethnic neighborhoods.

What occurred as a result, is now clear in hindsight:

Stores on various corners, which had usually stayed open until nine or ten o'clock in the evenings, now closed at five or six. Some small stores went out of business because of shortened hours combined with heavy shoplifting.

When darkness fell, neighbors found it preferable to get behind locked doors rather than to sit on the step.

The elderly abruptly ceased venturing onto the street except in daylight hours.

Sons and daughters found the neighborhood no longer the attractive setting they recalled from their youth and began moving not to a house two doors down from mom and dad, but across the river to Cherry Hill or Haddonfield or into the suburban Philadelphia counties of Delaware and Montgomery.

Waterice and pretzel vendors who once piled the narrow sidestreets of South Philly on summer nights simply vanished.

Violence spread to the schoolyard and classroom to the extent that many of the best teachers - who had planned on a lifetime of service at the neighborhood school - went elsewhere.

(more)

Other families, in their peak earning years, took a look around and decided to sell and move out while they had the financial ability to do so.

What we are now left with, members of the committee, is the sad sight of neighborhoods which have had their lifesblood sucked out.

The truly tragic aspect of all this is that no matter what remedial steps are ever taken, the neighborhoods can never be restored to their previous state. The tradition and century-old links of heritage have been smashed. And all of us, in the media, law enforcement and political life, must share a portion of the responsibility for this tragedy. All of us who, a decade ago, had tools at our disposal or within our reach, to prevent the wholesale destruction of a way of life in neighborhoods that are the backbone of America.

To be sure, the permissiveness of the sixties and laxity in the home paved some of the way, but I maintain the real burden of guilt must come to rest at our doorsteps, we professionals who accepted oaths, offices, titles, mandates and paychecks for safeguarding the well-being of the public.

At this point, nothing any of us do can be too much, in terms of rectifying past neglect and attempting to reverse the present downhill turn of events.

Members of the committee, I have interviewed hundreds of neighborhood residents, law enforcement officers and junkies in the past ten years for the observations I have distilled and offered to you in this testimony. I hope none of you believe it is exaggerated.

(more)

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If it were possible, a short walking tour through these once fine neighborhoods would present a sight more graphic than any I could give you with mere words.

At nine at night, you would walk down streets that are deserted except for an occasional cluster of spaced out young people who eye the passing stranger, sizing him or her up as a wolf pack would potential prey.

You would walk past the little grocery that had been a neighborhood landmark forty years until it was suddenly boarded up.

You would see homes that had been the birthplaces of four generations, abandoned, windows broken, a shooting gallery for the wolf packs.

You would see large sections of once gregarious, vibrant, colorful, Little Italy which each night entombs itself in sullen fear and confused isolation.

This is living? This is America?

This, committee members, is it. In South Philadelphia.

Again, thank you for the opportunity to address this committee. My sincerest best wishes for your undertaking.

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